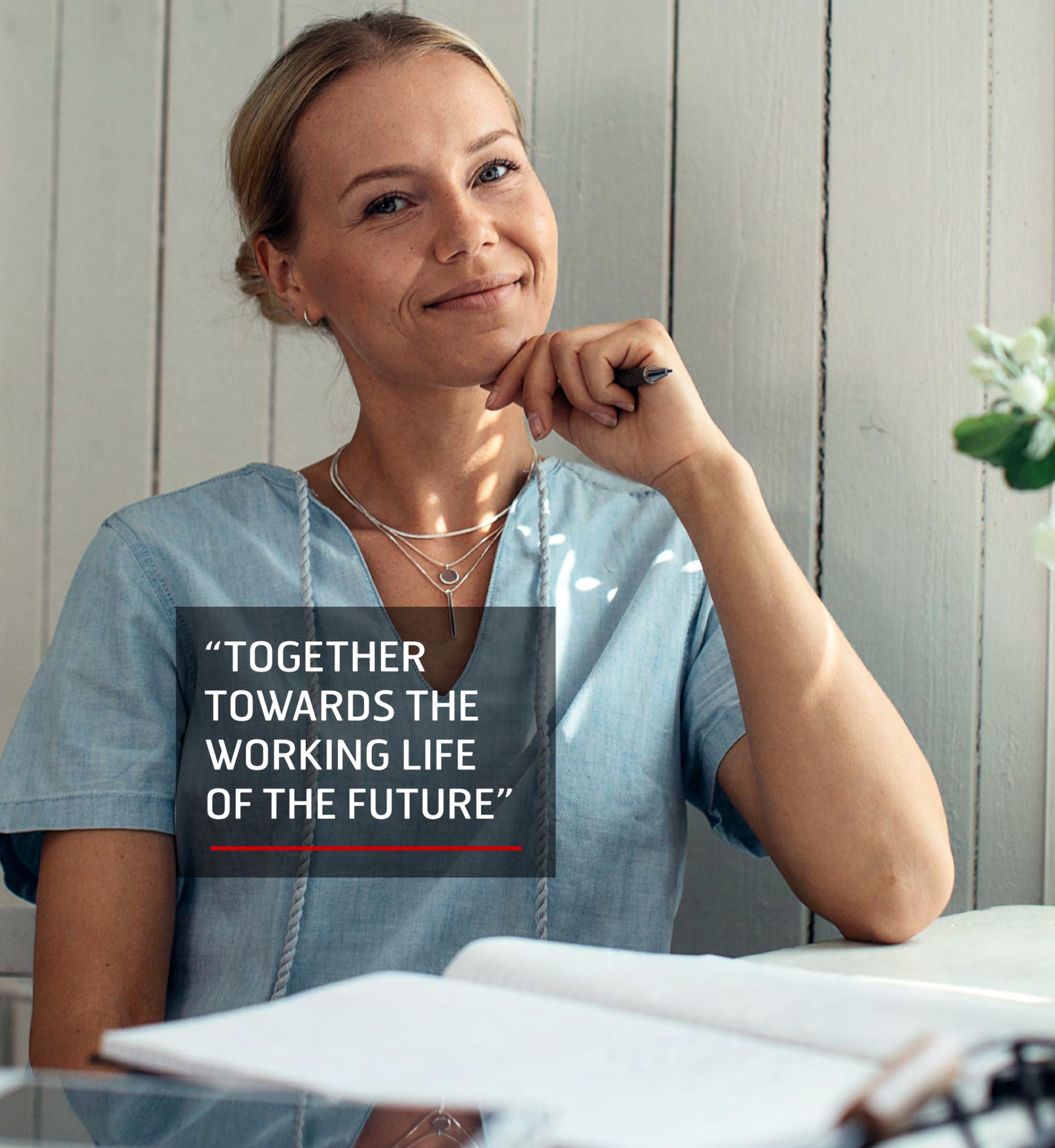




vmp

ANNUAL REPORT

2018



**“TOGETHER
TOWARDS THE
WORKING LIFE
OF THE FUTURE”**

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2018 HIGHLIGHTS

2018 was a year of big changes for VMP. We were listed on the First North marketplace of Nasdaq Helsinki and got more than 1,100 new Finnish and international shareholders.

We expanded our service offering and our nationwide presence by carrying out business acquisitions that support our strategy. We participated actively in growth service pilot projects related to the Finnish health, social services and regional government reform. At the same time, we continued to grow our business and further strengthened our position in the Finnish HR services market.

VMP Plc acquired Varamiespalvelu-Group on October 31, 2017 through a share transaction. Comparable figures consist of financial statements information on Varamiespalvelu-Group from 2017.

2018 WAS A YEAR OF STRONG GROWTH FOR VMP

Revenue, EUR million

124.9

Revenue growth

14.0%

Adjusted EBITDA, EUR million

10.2

Adjusted EBITDA margin

8.2%

2018

We deepened our expertise on the recruitment of white-collar workers by acquiring Arja Raukola Oy

Juha Pesola became the new CEO of VMP

VMP was listed on the First North marketplace of Nasdaq Helsinki on June 19, 2018

About 1,000 young teenagers throughout Finland obtained a summer job via VMP

VMP clarified its service offering by combining Romana and Personnel and the operations continue under the Personnel brand

VMP divested its operations in Estonia

The all-time billing record of Eezy users: EUR 4.3 million in a month

VMP Group strengthened its position in the Finnish HR services market by acquiring Henkilöstöä Voima

VMP Group acquired Enjoy Group, which focuses on the HoReCa industry, and now serves customers from Hanko to Fell Lapland

The fifth robot started working in VMP's administration

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

2018 IN NUMBERS

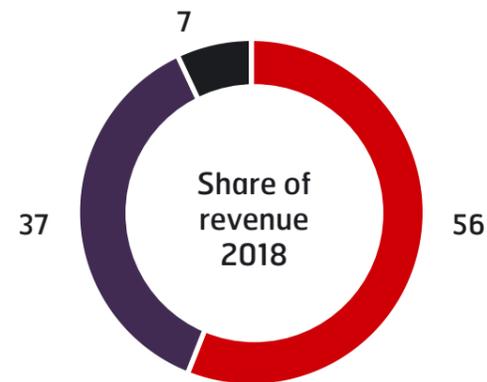
2018 was a year of strong growth for VMP. The company's revenue increased to EUR 124.9 million (EUR 109.5 million in 2017). Adjusted EBITDA was EUR 10.2 million (9.3) and the adjusted EBITDA margin 8.2% (8.5%).

REVENUE BY SERVICE AREA IN 2018, %

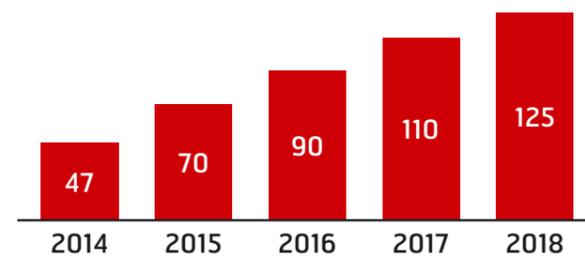
56%
Staffing services

37%
Self-employment services

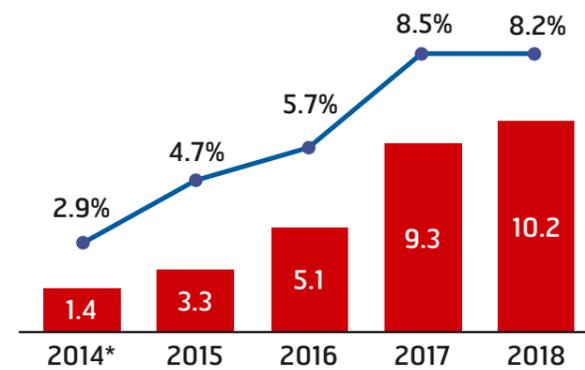
7%
Recruitment and organizational development services



REVENUE DEVELOPMENT IN 2014–2018, EUR MILLION



ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN IN 2014–2018



■ Adjusted EBITDA (EUR million) — Adjusted EBITDA margin (%)
*unaudited

YEAR OF STRONG GROWTH

Revenue of EUR **124.9**
million in 2018 (+14.0%)

ADJUSTED EBITDA STRENGTHENED

Adjusted EBITDA of EUR **10.2**
million in 2018 (+10.2%)

STRONG ADJUSTED EBITDA MARGIN

Adjusted EBITDA margin of **8.2%**
in 2018

KEY FIGURES

EUR million	2018	2017
Revenue	124.9	109.5
Adjusted EBITDA	10.2	9.3
Adjusted EBITDA margin	8.2%	8.5%
EBITDA	9.8	9.3
Earnings per share, EUR	-0.20 ¹	-
Dividend / share	0.08 ²	-

¹ In the calculation of earnings per share, the number of shares is 14,799,198 (registered number of shares as of December 31, 2018).
² Board of Directors' proposal to Annual General Meeting

DIVIDEND PROPOSAL

The Board's proposal to the Annual General Meeting is that dividends be paid EUR 0.08 per share, corresponding to a total of EUR 1.2 million.

EUR 0.08 / share

PEOPLE IN GROUP FUNCTIONS

211

STAFFED EMPLOYEES

1,361*

*In the calculation of the average number of staffed employees, the work input of the employees has been converted into person-years.

EXTENSIVE NETWORK AND STRONG MARKET POSITION

58*
staffing business locations

17
own staffing business locations

25
franchisees

- Staffing business location
- Recruitment and organizational development business location
- Self-employment business location

*VMP Suomi (38), VMP Sweden (12), Sijaishaltija (1), Enjoy (5), Voima (2).

WE WANT TO HELP COMPANIES AND PEOPLE SUCCEED IN THE CHANGING WORLD OF WORK

VMP operates in the structurally growing staffing, recruitment, organizational development and self-employment market. Working life is going through a transformation, where the proportion of mobile, flexible and independent workers is steadily growing.

Challenges in the availability of skilled employees among customer organizations are further driving the demand for employment services and training. Apart from the growing demand, industry growth is fueled by changes in attitudes, as staffed work has become a widely accepted form of work and staffed employees have positive views regarding their work. According to the most recent study by the Private Employment Agencies Association HPL, 88% of staffed employees would recommend staffed work to people they know.

As working life changes, so must companies offering HR services. VMP can be called "change smart", because it has displayed a remarkable capacity for change. A little more than five years ago the company expanded its strategic focus from offering solely staffing services to more comprehensive HR and digital services. A company's ability to change is built on its people and its corporate culture. At VMP, corporate culture is one of the company's key competitive advantages. I have been observing VMP's culture during the strategy process, the preparations for the initial public offering and in connection with various events. VMP's operational culture is awe-inspiring; it is productive, both diligent and fast, and there is a genuine desire to further develop things together. The employee and customer experience are a strong part of VMP's culture, and both are measured continuously. VMP offers a well-being program for its employees, the name of which captures the goal of the company's employee experience: "Don't just bear it. Enjoy it!"

The core of our strategy is to continuously develop our wide-ranging HR services offering in such a way that we remain at the forefront of the changing working life, while offering more and more added value to our customers. We want to help companies and people succeed in the changing world of work.

Dividend policy to pay out 30–50% of net result

VMP has a healthy balance sheet and its leverage was very modest at year-end. The company also has strong cash flow, its business operations as a whole do not tie down operating capital, and its operational investment needs are low. The company's long-term goal is to pay out 30–50% of annual net result, adjusted with amortization of goodwill, as dividend. The Board's proposal to the Annual General Meeting, convened on March 28, 2019, is that dividends be paid EUR 0.08 per share, corresponding to a total of EUR 1.2 million. VMP's strong cash flow and moderate indebtedness allows for paying out dividends while ensuring leeway for future growth plans. The company has shown that it is growing sustainably, and I have strong faith in its future outlook.

Liisa Harjula

Chairperson of the Board





CEO'S REVIEW

A YEAR OF GROWTH AND CHANGES

For VMP, 2018 was a busy year full of big changes. The starting signal for these changes was already given in the fall of 2017, when the company's founders let go of their majority ownership position.

An even greater change took place in June 2018, when we listed on Nasdaq Helsinki's First North marketplace. 2018 was also a year of strong and profitable growth.

We received more than 1,100 new Finnish and international shareholders through the IPO. I am very pleased with the vast interest among investors towards VMP's IPO. I want to thank all our new shareholders for their trust in us. The listing made VMP even more interesting among our customers and, at the same time, increased our financial leeway.

Strong, profitable growth

VMP's chain-wide revenue grew by 15% to EUR 204 million, and VMP Group's revenue grew by 14.0% to EUR 124.9 million. I am also satisfied with the company's profitability development. Our adjusted EBITDA grew by 10.2% to EUR 10.2 million year on year.

In late 2018, we made two significant business acquisitions that strengthen our position in the Finnish HR services market and also support our growth in 2019. We acquired HenkilöstötaVoima in November and Enjoy in December. These acquisitions support our objective of being the leading actor in the HR services industry, consolidating the market and developing our service offering.

HR services industry grew in 2018

The Finnish HR services market experienced rapid growth in 2018, especially in the first half of the year. The economic cycle has remained good, even though market growth stabilized after the summer. Nevertheless, the industry outlook remains positive, and the market is believed to grow also in 2019.

Digitalization is transforming the HR services industry

The Finnish HR services industry is going through an interesting phase. Positive development of the Finnish economy has resulted in labor shortages in several industries. On top of the lack of software industry professionals, there is a shortage of for example cleaners, construction workers and HoReCa professionals around the country.

In the future, digitalization will transform the entire HR services industry. The ability to collect and analyze data is becoming increasingly important. Digital workforce provision is believed to become a normal part of the HR services industry's offering. Artificial intelligence will be used increasingly to match jobs with suitable candidates. Utilizing the possibilities created by digitalization, robotics and AI will free people's time from routine manual tasks to more creative, higher value-added work. I believe that this will increase job satisfaction and people's overall happiness while helping companies succeed in a changing world. This is something we see at VMP, as well. We will continue to

invest in developing our digital service offering and in leveraging the opportunities created by digitalization in our operations.

Reforms are necessary to maintain our society's competitiveness

Finnish working life needs reform, with the pressure for such reforms growing day by day. Despite the collapse of the health, social services and regional government reform, I hope that leaders have the strength to make open-minded decisions and to try new kinds of solutions that help ensure the competitiveness of Finnish society also going forward. The reforms still make it possible to respond to labor market changes by, among other things, making use of private sector actors in service provision. I firmly believe that the private sector can produce innovative solutions for development of labor markets and improving employment.

Good position for a successful 2019

VMP was incredibly successful in fulfilling its core task in 2018 – we found good employees for our customers within the agreed timetable and offered great job opportunities for our employees. Our customers were satisfied and gave us their trust – and for that, we thank you. In addition, I want to thank our own staff for their ability to work well amidst changes and always going the extra mile.

VMP has a wide service offering and a tried and tested business model. In 2019 we will focus on implementing our strategy while keeping our eyes open for interesting acquisition opportunities, and simultaneously ensuring that we can create synergies from the acquisitions already made. I believe that we are in a good position to continue our positive development also in 2019.

Juha Pesola
CEO

OPERATING ENVIRONMENT

The HR services market relevant to VMP's business includes staffing services, recruitment and organizational development services, as well as self-employment services. The size of the entire Finnish HR services market is estimated to be EUR 2.4 billion in 2018, growing approximately 9% from the previous year.

HR services market continued to grow in 2018

Staffing accounted for approximately EUR 2.1 billion of the entire market in 2018 and is by far the largest service area. The size of the recruitment and organizational development services market in 2018 was approximately EUR 130 million. The self-employment services market is the newest of our markets. In 2018, we estimated its size to be approximately EUR 140 million.

According to the Private Employment Agencies Association (HPL), the revenues of the top 20 staffing market companies continued to grow in 2018, with organic growth and acquisitions accounting for 13%.

The outlooks of HPL's member companies have become more cautious in the Business Tendency Survey of the Confederation of Finnish Industries (EK), but businesses in the industry view that the current economic situation remains strong. We estimate that the recruitment market remained on par with the previous year in 2018. In the self-employment services market, market leaders are estimated to have continued strengthening their positions in 2018. In addition to the Finnish market, VMP operates in Sweden. The Swedish staffing services market grew by approximately 3% in January–September 2018, growth in staffing was 5%, with other services experiencing slightly slower growth.

Labor shortage is tackled together

The favorable development of the Finnish economy in recent years has led to a labor shortage in several industries. Together with its customer organizations, VMP is continuously looking for new solutions to find skilled employees and train new professionals. For example, cooperation with different educational institutions or companies offering training services is central to this work.

During 2018, VMP participated in growth service pilots related to the Finnish health, social services and regional government reform, providing services that promote employment. Examples of these projects include the 'Nuoret töihin!' and 'Nuoret kohti työtä' projects, into which approximately 10,000 job seekers across the nation will be directed.

THE FINNISH HR SERVICES MARKET GREW BY 9% IN 2018

THE MARKET GROWS DUE TO FLEXIBLE WAYS OF WORKING BECOMING INCREASINGLY COMMON

THE SIZE OF THE MARKET RELEVANT TO VMP IN FINLAND, EUR MILLION, 2018



TRENDS SUPPORTING VMP'S BUSINESS

CONSOLIDATION OF THE HR INDUSTRY



LABOR SHORTAGES IN CUSTOMER COMPANIES

DEMOGRAPHIC CHANGES IN FINLAND

PROJECTS RELATED TO THE PUBLIC SECTOR SERVICE REFORM

FLEXIBLE WAYS OF WORKING BECOMING INCREASINGLY COMMON



WE AIM TO BE THE LEADING PLAYER IN THE HR SERVICES INDUSTRY, TO CONSOLIDATE THE MARKET AND TO DEVELOP OUR SERVICE OFFERING

WE HELP BOTH EMPLOYERS AND EMPLOYEES SUCCEED IN THE CHANGING WORLD OF WORK



Development and utilization of digital services and platforms

Our goal is to be a pioneer in the HR services industry in utilizing digital solutions and platforms. Digital solutions strengthen our internal processes and create added value to our customers by making the services we offer easier, faster and more versatile. Among other benefits, the use of digital workforce increases the scalability of operations, reduces the need for manual labor, improves operational efficiency and enables focusing on the core business.

New solutions

Our goal is to grow and develop our business through new service solutions. We see growth potential in, for example, the following areas:

Career services

The service reform, initiated during preparations of the public sector health, social service and regional government reform, aims to improve the impact of public services, companies' activities, employment, the availability of skilled labor and to respond to changes in the labor markets. Our view is that, upon realization, the service reform would grow the HR services market in Finland and would open up demand for services provided by private HR services companies.

VMP's Urapalvelu career service supports fulfilling the aims of the services reform and the construction of better services.

Development of self-employment services

As work becomes more self-driven, project-based and independent of the location of the workplace, the nature of traditional employment changes. We see potential growth in offering services produced by self-employed people as part of the HR services provided directly to companies. This differs from the current model, in which self-employed entrepreneurs offer their services to companies themselves. Furthermore, we can develop new value-adding services for our current users.

Utilization of distribution channels for add-on sales of services

We seek additional sales through our comprehensive network by offering existing customers other services provided by the Group. Along with seeking additional sales of existing services, we utilize our network for distributing new services.

Robotic process automation

We consider the development of knowledge work automation as one of our potential growth areas. For example, we

offer our customers robotic process automation as a cloud-based service for performing knowledge work. Automation and further development of robotic process automation are an important part of our strategy.

Training and learning services

We believe that as working life becomes more fragmented, training and learning services will grow in importance. Our aim is to develop our digital services that facilitate the onboarding of new employees and are available anytime and anywhere. We will promote our continuous learning services with carefully selected partners.

Business acquisitions

When it comes to the implementation of our strategy, one important goal is the consolidation of the fragmented HR services business. We aim to expand our service offering and to enter new industries more rapidly through business acquisitions. We see potential for acquisitions especially in the staffing, recruitment, training and learning industries, as well as in companies focusing on robotic process automation.

In November 2018, VMP strengthened its position in the Finnish staffing services market by acquiring Henkilöstötaalo Voima. Henkilöstötaalo Voima was founded in 2011 and it comprises three individual companies with the total combined revenue of EUR 11.8 million in the financial period 2018. The company has offices in Tampere, Helsinki and Hämeenlinna. The acquisition supports VMP group's goals of being a leading actor in the staffing

services industry, consolidating the market and developing its service offering.

In December, VMP acquired Enjoy group. Enjoy is a nationwide staffing services company focusing on the HoReCa industry. Enjoy's group revenue was EUR 18.6 million in 2018. Enjoy has offices in Helsinki, Turku, Tampere, Jyväskylä and Oulu. The acquisition strengthens VMP's position especially in the growing HoReCa industry, which is VMP's second-largest customer business area after the industrial sector.

After the end of the financial period VMP acquired Henkilöstöratkaisu Extraajat, which offers staffing services countrywide, focusing especially on clients and employees in the retail industry. Extraajat's revenue was EUR 19.8 million in the previous financial period. In addition, VMP divested from the care services-focused Alina, whose revenue was approximately EUR 1.5 million.

Operational efficiency

Improving operational efficiency is another important area in our strategy implementation. We can improve efficiency by, for instance, harmonizing our operations and by better utilizing Group support functions, such as payroll administration, the accounting unit, the HR department, IT support and marketing at individual business locations.

LONG-TERM FINANCIAL TARGETS



VMP'S BUSINESS OPERATIONS

VMP is a Finnish HR services company. Our business operations are divided into three service areas: staffing, recruitment and organizational development and self-employment services.



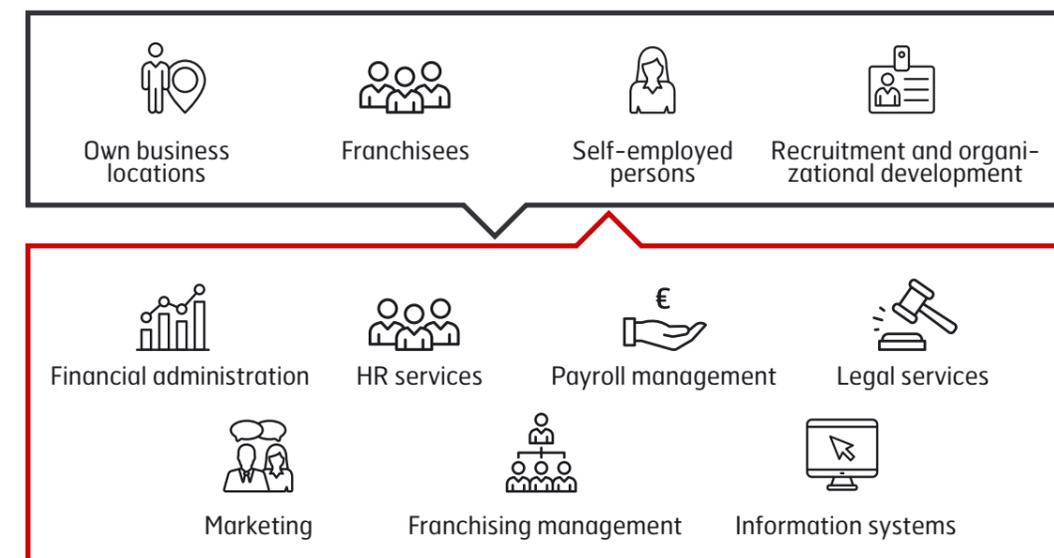
In the staffing service area, we offer services in Finland under the VMP Varamiespalvelu, Voima, Enjoy and Extraajat brands and in Sweden under the VMP brand. We offer versatile staffing services both directly through our group companies and through our franchise network to various industries. Our staffing services also include Urupalvelu career services and digital robotic process automation.

In the recruitment and organizational development service area we offer comprehensive recruiting, personal evaluation, training and headhunting services to our customers under our Personnel brand.

- In recruitment we search for the type of individual or individuals as specified in the assignment, for permanent contracts for our customer companies
- In headhunting assignments we find an individual who matches our customer's criteria by using varying search strategies and by directly contacting potential individuals
- With personal evaluations we help the assigning party chart the features central for successful performance in the assigned position
- In organizational development we offer our customers services with which their organization's functionality can be improved, the organization can be prepared for change, its leadership can be developed, and the organization can be made more efficient

In the self-employment service area, we offer our customers the opportunity for self-employment by outsourcing invoicing and administrative work to VMP under the Eezy-brand. Eezy is one of the pioneers in the industry and one of the leading providers of self-employment services in Finland. The Eezy-service provides private individuals who sell their expertise a modern and flexible method of invoicing customers for the work they have carried out.

CENTRALIZED ORGANIZATION ENABLES EFFICIENCY IMPROVEMENTS



VMP has a diverse customer base – five largest customers accounted for

11%

of group revenue in 2018

VMP's staffing services had approximately

3,600

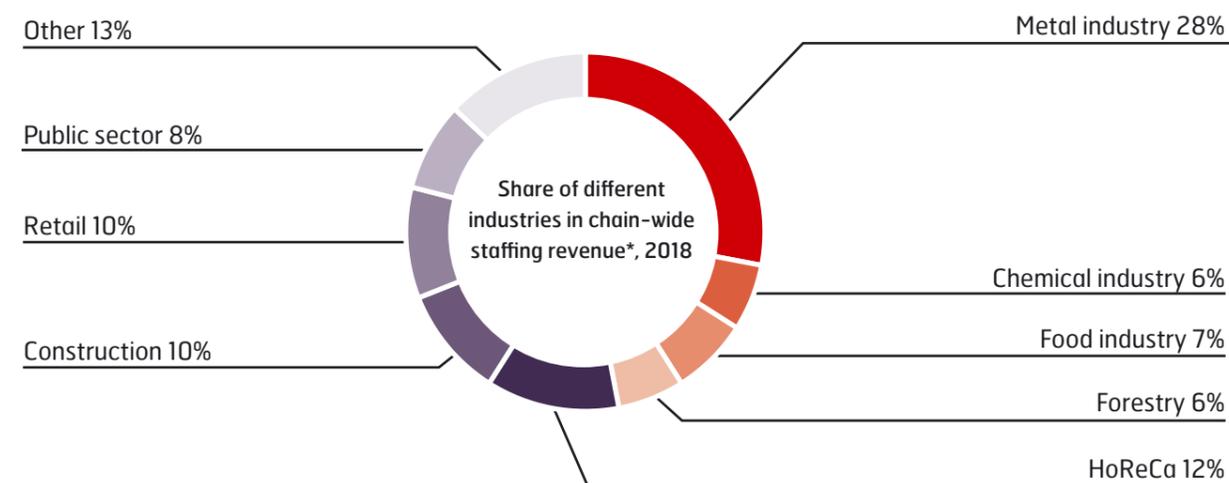
business customers and approximately **19,400** contract workers employed either directly or via franchisees in 2018

Eezy had approximately

25,000

registered users and **4,400** active users in 2018

VMP OFFERS VERSATILE STAFFING SERVICES TO VARIOUS INDUSTRIES



*Including VMP Varamiespalvelu chainwide revenues, excluding Sweden and Alina

Staffing services

The 30th anniversary year of VMP Varamiespalvelu was successful. A number of acquisitions strengthened VMP's service offering.

Staffing services revenue increased by 17.3% in 2018, supported by the service and industry sectors. Growth in the service sector was supported by realized acquisitions, and growth in the industrial sector was almost entirely generated through organic growth. The acquisition of Arja Raukola Oy in April 2018 deepened our expertise in staffing and recruitment services for the office and ICT sectors. Our staffing service offering was also strengthened by the acquisitions of Henkilöstötaalo Voima and HR services company Enjoy, which specializes in the HoReCa industry, both announced at the end of the year, and the acquisition of Henkilöstöratkaisu Extraajat in February 2019. In Sweden, VMP operates primarily in the construction and industry sectors.

We divested our business operations in Estonia during the fall and will continue to work together with a local partner to carry out recruitment services that support VMP's business. The divestment of operations in Estonia has no effect on the Group's results. After the changes and acquisitions carried out in the service area, VMP offers staffing services in Finland under the VMP Varamiespalvelu, Voima, Enjoy, and Extraajat brands and in Sweden under the VMP brand.

VMP Varamiespalvelu implemented a number of measures that supported our strategy implementation. We set up joint offices together with other VMP service areas, enabling us to provide more comprehensive support for our customers. In addition, the Group's other services expanded their nationwide presence through VMP Varamiespalvelu's network of business locations. We also provided Urapalvelu career services with Finnish public administration and promoted the digital development and use of robotic process automation in administrative tasks.

In addition to our Group companies, we provide staffing services through a franchise chain. Our model enables us to maintain an extensive network of business locations and a strong knowledge of the local business environment, as well as to create relationships with local customers. The effectiveness of our model is also reflected in the satisfaction among our franchisees. VMP ranked second in Franchise News' competition listing Finland's most satisfied franchisees in 2018. During 2018, three new franchisees started at VMP Varamiespalvelu, with the number of franchisees totaling 25 at the end of the year.



*To develop the employee and business customer experience, we monitor the Net Promoter Score (NPS). We collect feedback from various interaction points, so that we can help people succeed even better in the world of work.

Recruitment and organizational development

The year 2018 was a time of renewal in recruitment and organizational development. The combination of the Romana and Personnel recruitment brands was a significant event, boosting the service area's operations further.

In 2018, the revenue of the service area increased by 3.3% from the previous year. The growth was strong particularly in the beginning of the year, supported by favorable market development. Growth was mainly generated in the areas of personal evaluation, recruitment and headhunting. The acquisitions of Henkilöstötaalo Voima and Arja Raukola Oy in 2018 also increased the Group's expertise and resources in recruitment and headhunting.

During the year, our recruitment consultancies Romana Management and Personnel were combined into the Personnel brand, under which VMP will provide recruitment and organizational development services. The combination was related to the Group's internal reorganization arrangement and will help VMP improve the efficiency of its business operations, in line with its strategy.

The combination of the brands will support VMP's growth target and simplify our service offering, which will enable us to serve our customers even more comprehensively. Through the merger, Romana's customers got access to a significantly more extensive network of business locations, while the old Personnel's customers benefit from the strengthened organizational development service offering.

At the end of the year, Personnel's largest business locations were in Helsinki, Tampere, and Turku. In addition, the number of smaller locations grew in early 2018 with a new unit being opened in Kouvola. During the year, the efficiency of Personnel's operations was also improved by merging the offices of various Group operations in Jyväskylä and Tampere. Moving under the same roof will help develop best practices within VMP.

Self-employment

Year 2018 was a time of favorable development both for the self-employment service area and for the entire industry. Our commitment to service development, customer service, and raising our brand awareness has increased Eezy's attractiveness as a service provider. The number of registered users in the service has grown throughout the year.

Self-employment revenue increased by 11.5% in 2018. Growth was mainly driven by the increased number of service users. Ten years ago, the Eezy invoicing service created an entirely new way of finding employment in Finland. We celebrated the anniversary together with service users and other stakeholders in Helsinki. The model of self-employment through an invoicing service is becoming increasingly important and by using it, we at VMP are striving to constantly lower the threshold for employment.

In 2018, an important step was taken to improve the situation of invoicing service users and to promote industry development, as Eezy, together with four other invoicing services, founded an industry association called The New Work Association. In addition, new legislative changes and tax practices were adopted in the industry.

Our concept of "Live the way you work" reflects the expansion of Eezy's service palette - how we will provide professionals with a comprehensive offering that will help them succeed in their work.

Eezy's customer service desks located at VMP Varamiespalvelu's offices have become significantly more common. Benefiting from VMP's synergies, we can offer our customers a more comprehensive service.



STAFFING SERVICES REVENUE EUR

70.0 million
(2017: EUR 59.7 million).

RECRUITMENT AND ORGANIZATIONAL DEVELOPMENT SERVICES REVENUE EUR

8.7 million
(2017: EUR 8.5 million).

SELF-EMPLOYMENT SERVICES REVENUE EUR

46.1 million
(2017: EUR 41.4 million).

VMP URAPALVELU CAREER SERVICE BOOSTING EMPLOYMENT

VMP participates in growth service pilot projects related to the Finnish health, social services and regional government reform throughout Finland. During the year, we made significant progress in the production and development of services related to the growth service reform. In 2019, instead of the regional government model, reforms will focus on wide-ranging service reform under the leadership of the Ministry of Economic Affairs and Employment.

Services for the benefit of customers and society

VMP's Urapalvelu career service provides employment promoting services building on the company's expertise and employer networks. We work nationwide together with TE employment offices and municipalities. Our career service helps jobseekers by offering them job search training, recruitment trainings, career guidance, and employment services.

Urapalvelu career service focuses on providing concrete assistance based on the current situation and wishes of the customer. VMP's strength as a national and local actor is knowing the regional job markets well but also being able to provide services to a large group.

The growth service reform, under preparation in 2018, aimed to improve the public provision of labor, companies' activities, employment, the availability of skilled labor and respond to changes in the labor market. The aim of the reform was to combine business and employment services starting from the beginning of 2021. The preparations will now continue without the regional government model and the aim is to fulfil the same targets through renewing service systems.

In our view, the service reform would grow the market for HR services in Finland by EUR 300–400 million and open up demand for services provided by private HR services companies. Following the reform, VMP could also take on greater responsibility for customers and offer a wider range of services at different stages of life.

We will continue to influence the service reform also in 2019, when a large number of extensive regional service pilots and projects will be launched. VMP is involved in the market dialogue and preparations related to the projects, sharing our vision and experience of public services as well as HR services.

Supporting young people's career paths

During the year, Urapalvelu career service has focused particularly on helping young people find employment, driven by the 'Nuoret töihin!' (Jobs for youth) ja 'Nuoret kohti työtä!' (Youth towards employment) pilot projects. Nuoret töihin! and Nuoret kohti työtä! were the most significant new nationwide growth service projects of the year, and by spring 2019, a total of approximately 10,000 jobseekers under 30 years of age will be directed to participate in them.

VMP is involved in the youth projects as one of the service providers developing and providing new ways of supporting young people in finding employment and accessing training. We help young people to clarify their career goals and achieve their dreams at career turning points. Our strength lies in employment services – not only can we provide personal coaching, we are also able to truly offer jobs.

The services available in the Nuoret töihin! project help and encourage young people under 30 in finding work or becoming entrepreneurs. The project is targeted at, for example, young people with a degree who are unemployed. The Nuoret kohti työtä! project supports unemployed young people under 30 in becoming active participants in society, encourages them to study and helps them to find work. This group includes, among others, young people who do not yet have a degree.

The projects were launched in 2018 and will continue until the second half of 2019. In the early stages of the projects, we focused on developing new ways of working and new collaboration models. We also succeeded in mentoring the first group of young people in getting forward in working life, some even finding permanent employment. At fastest, a young person has secured a permanent job two and a half hours after starting to use the service.

IN LINE WITH OUR STRATEGY, WE ACTIVELY PARTICIPATED IN DEVELOPING THE GROWTH SERVICE REFORM DURING THE YEAR.

SUCCESSING TOGETHER WITH CUSTOMERS



HANSEL

PERSONNEL HELPS HANSEL AND ITS CUSTOMERS

PERSONNEL IS HANSEL'S contracted supplier for recruitment, headhunting and personal evaluation services. As a state-owned central purchasing body, Hansel invites tenders for framework agreements on products and services used by the Finnish public administration. "Our customers have made significant recruitments to the state government with Personnel's help," says Hansel's CEO **Anssi Pihkala**.

Personnel has also supported Hansel in Hansel's own recruitments. "One of the most important decisions in an expert organization is choosing a new person for a job," says Pihkala. "I am proud of our group – we have top experts in the team," he says.



SEURANA

EEZY'S CUSTOMER SERVICE CONVINCED SEURANA

SEURANA is a unique company that provides care, recreation and well-being services, offering reliable and regular care for seniors at home and in nursing homes. Seurana companions spending time with the customers are pensioners who still want to do meaningful work and get extra income.

Seurana was looking for a partner that would offer an easy way for Seurana companions to bill their hours. Eezy convinced the company particularly with its prompt and good customer service. "In the early days, we asked for advice even on Sunday when we needed tips for using the extranet. Great service," says Seurana's founder **Mirka Saarinen**. "In view of Seurana's expansion, it is also good that Eezy provides services in many locations," she continues.



POLAR SPRING

VARAMIESPALVELU IS THE RIGHT PARTNER TO CONNECT COMPANIES AND JOBSEEKERS

POLAR SPRING LTD and VMP Varamiespalvelu work closely together in recruiting employees. Especially during the summer high season, the company turns to VMP. "The partnership with VMP Lahti is based on deep cooperation. Employees who come through them have been suitable for our tasks. The water industry is a somewhat different field of business, but we have built a good understanding of the kinds of people we are looking for. We have found really good matches," says Polar Spring.

One example of the fruitful cooperation is **Kalle Rajakangas**, a Polar Spring employee who progressed from an office water dispenser bottle washer with a fixed-term contract to joining the company's production and sales management as a factory manager. "The journey here through VMP has been challenging but fun. I've gotten to do different things all down

the line and my work has been very visible," Rajakangas describes his growth story.



WE HELP EACH OTHER SUCCEED

We want to help both employers and employees succeed in the changing world of work. As VMP works in the HR services industry, promoting well-being is part of our core business.

Our personnel includes both salaried employees working in Group functions and staffed employees provided VMP, who are also our customers. We invest in people systematically, listening to all employees and basing our actions on their needs.

Don't just bear it. Enjoy it!

Coping at work has become a major topic in discussions about working life. However, we at VMP wanted to shift emphasis from just coping towards enjoyment, the flow of work. We have highlighted this approach since 2016, spurred on by the Älä Jaksä. Viihdy! (Don't just bear it. Enjoy it!) campaign.

To support the development of employee wellbeing, we have created new channels for interaction and internal coaching. Based on continuous employee wellbeing surveys and interviews, we complemented our mobile- and web-based coaching with, for example, personal trainer services and time management and lifestyle coaching.

In 2018, we made an open-minded transition to using web-based tools and gamified our job orientation which is now offered in the VMP Satama and VMP Etkot applications. Gamified orientation will be used with our own personnel and employee customers, while also becoming a future service we offer for businesses.

During the year, we continued the work of improving employee wellbeing based on the successful campaign. We set a goal of interviewing all our VMP Group employees in 2018 and finding out what work wellbeing means for them. We will continue wellbeing work with the new Pisara ('drop') campaign, where we seek to deepen also the identification of our employee customers' needs and to help one another succeed – one drop at a time.

A significant year for our personnel

A strong feature of VMP's culture is an emphasis on results over a traditional way of counting hours. In 2018, approximately 30 of our Group employees spent a week working remotely from Malaga, in sunny Spain. The idea was based on proposal from the employees, and the trip was seen as an incredibly positive break from routine, highlighted by a sense of community and the experience of getting to know the colleagues' work. Communal remote working is a fine example of employee participation in the development of their own work and thereby in the enhancement of our entire business operation.

During the year, the capabilities and attitude of our personnel have had a key role in several significant events, with VMP's initial public offering being the single standout moment. Indeed, working at VMP is comparable to a roller-coaster ride – so jump on board and enjoy the speed!

OUR CULTURE
PROVIDES
PROFESSIONALS
WITH THE KEYS
FOR SHARED
SUCCESS.

VMP AS AN INVESTMENT

We operate in a market with structural growth

The HR services market relevant to VMP's business comprises staffing services, recruitment and organizational development services and self-employment services. The estimated size of this market in Finland is approximately EUR 2.4 billion, growing by 9% compared to the previous year.

We believe that employees' career path will comprise several jobs, and employment contracts that last the entire working life will decrease. We also believe that the change in the job market and the development of AI and automation will change the structure of the job market considerably in the future, renewing the ways of working.

We are well positioned to capitalize on these market growth factors.

We have a strong market position in the HR services industry

We are one of the largest HR services companies in Finland and the only company in the industry in Finland to provide self-employment services and HR services based on digital solutions in addition to staffing, recruitment and organizational development services. Our market position is also strengthened by an extensive network of business locations around Finland – one of the two most comprehensive networks in the country.¹

We have a comprehensive and modern offering in the HR services industry

Our comprehensive service offering includes staffing, executive recruitment, other recruitment and headhunting services, personal evaluations, organizational development and training services, services utilizing robotic process automation and self-employment services. This enables us to serve as a comprehensive HR partner for companies operating in a variety of different sectors.

Our customer-oriented approach in tailoring our services

We tailor our services to meet the needs of our customers and employees. By better understanding the customer, we can target and tailor our services to suit the customer when it comes to, for example, content, range, service level,

pricing and pricing models. Our customer segmentation allows us to match suitable employees and employers, which increases the satisfaction of both customers and employees.

We have a fragmented customer base and an extensive network of locations

We serve a variety of corporate and private customers in Finland and Sweden. Our customers include both private individuals who offer their labor as well as companies and public sector organizations. We have a diverse customer base, and no individual customer accounts for significant share of our sales. Due to the franchise business model, we have a nationwide network of business locations in Finland.

Our scalable franchise business model enables flexibility and strong local presence

We offer staffing services both directly through our Group companies and through our franchise chain. Our franchise business model enables us to maintain an extensive network of business locations and allows for strong knowledge of local business environment as well as close relationships with local customers. The franchising model has, for its part, enabled the profitable growth of the company's business and its scalability.

Professional and experienced management team and personnel

Our management has worked for a long time in different managerial duties in the HR services industry. We believe that our strong experience in the industry, the company, our customers, competitors, employees and business management in general give us a competitive edge over the competition.

¹The number of VMP's business locations includes the locations of the entire chain in Finland.

VMP was listed on the First North market-place of Nasdaq Helsinki on June 19, 2018. Photo: Tomi Setälä



VMP IS ONE OF THE LARGEST HR SERVICES COMPANIES IN FINLAND

VMP'S FIVE LARGEST CUSTOMERS FORMED A 11 PERCENT SHARE OF VMP GROUP'S REVENUE IN 2018.

IPO IN 2018

VMP was listed on the First North marketplace of Nasdaq Helsinki on June 19, 2018. In the public and personnel offering, VMP issued a total of 6,038,819 new shares. The final subscription price in the initial public offering was EUR 5.00 per share, corresponding to a market value of approximately EUR 69.5 million. Investors showed great interest towards VMP: the initial public offering was clearly oversubscribed, and we gained more than 1,100 new Finnish and international shareholders.

The goal of the initial public offering was, among other things, to support the implementation of our growth strategy, further increase our credibility as a partner in the market and improve VMP's brand recognition.

The disruption of working life has initiated an interesting phase in the HR services industry, and we believe that following the listing, we are now even better positioned to implement our strategy.

VMP'S SHARE PRICE DEVELOPMENT JUNE 19 – DECEMBER 31, 2018



VMP'S TEN LARGEST SHAREHOLDERS ON DECEMBER 31, 2018

	Number of shares	% of all shares
Sentica Buyout V Ky	5,523,072	37.32
Meissa-Capital Oy	2,852,307	19.27
Ilmarinen Mutual Pension Insurance Company	450,000	3.04
Odin Finland	397,000	2.68
Sijoitusrahasto Taaleritehdas Mikro Markka	380,000	2.57
Säästöpankki Pienyhtiöt	270,000	1.82
Evli Finnish Small Cap Fund	255,000	1.72
Danske Invest Finland Opportunities	240,000	1.62
Sentica Buyout V Co-investment Ky	228,928	1.55
Veritas Pension Insurance Company Ltd.	200,000	1.35
TOTAL	10,796,307	72.94

FURTHER INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING

VMP's Annual General Meeting will be held on March 28, 2019 at 12:00 noon at Kasarmin Sali, Kasarmikatu 21 B, 00130 Helsinki. The reception of persons who have registered for the Annual General Meeting and the distribution of voting tickets will commence at 11.00 a.m.

Right to participate

Shareholders who are registered in the shareholder register of the company maintained by Euroclear Finland Ltd. on the Annual General Meeting's record date of March 18, 2019 are entitled to participate in the Annual General Meeting. A shareholder, whose shares have been recorded on their personal Finnish book-entry account, is registered in the company's shareholder register.

Registration

A shareholder registered on the company's shareholder register who wishes to participate in the Annual General Meeting must register their attendance by March 25, 2019, at 10.00 a.m. (EET) at the latest, at which time the registration must have been received. Registration can be made through:

- the Company's website at <https://www.vmpgroup.fi/en/investors/corporate-governance/general-meetings-of-shareholders/>
- by letter to: VMP / Yhtiökokous, PL 901, 20101 Turku, Finland.

The shareholder's name, personal identity number or business ID, address, phone number and the name of possible assistant or proxy representative and the proxy representative's personal identity number must be declared when registering. The shareholder's personal information provided to VMP Plc is used only in connection to the Annual General Meeting and to the processing of the necessary registrations relating to it.

The shareholder, their representative or proxy representative must be able to, if necessary, prove their identity and/or right to represent at the meeting place.

It is requested that the possession of possible powers of attorney be disclosed when registering and that original powers of attorney are delivered before the registration period ends to VMP Plc, Aino Nylander, Mannerheimintie 20a (3rd floor), 00100 Helsinki, Finland. Alternatively, a copy of the power of attorney can be delivered electronically by email to yhtiokokous@vmp.fi, in addition to which the original copy of the power of attorney must be presented upon arrival and registration at the meeting place.

Dividends

The board of directors proposes to the Annual General Meeting that a dividend of EUR 0.08 per share be paid based on the balance sheet to be adopted for the financial year 2018. The board of directors proposes that dividends be paid to shareholders, who on the record date of April 1, 2019 are listed as shareholders in the company's register of shareholders maintained by Euroclear Finland Oy, with the payment of dividends to be made on April 8, 2019.

VMP'S RESULT PUBLICATIONS IN 2019

The interim reports and half-year report for 2019 will be published as follows:
 Interim report for January–March 2019: May 22, 2019
 Half-year report for January–June 2019: August 21, 2019
 Interim report for January–September 2019: November 20, 2019

FURTHER INFORMATION FOR INVESTORS

CEO Juha Pesola is responsible for VMP's investor relations. juha.pesola@vmp.fi

More information is available on VMP's investor pages at <https://www.vmpgroup.fi/en/investors/>.



CORPORATE RESPONSIBILITY AT VMP

VMP's responsibility is crystallized in our vision to help both employees and employers succeed in the working life of the future. In this endeavor, responsibility is a natural part of our business. We work in the HR services industry, which underlines the role of social responsibility in our operations in all its forms.

Working life is undergoing a big change. We help people and businesses in this change by developing new working opportunities and improving the professional skills of employees. For us, it is important that the staffing services we offer are fair both to the employee and to the company signing up staffed employees.

OUR RESPONSIBILITY ACTIONS ARE BASED ON THE FOLLOWING THEMES.



RESPONSIBLE EMPLOYER

- We operate fairly in working life
- We invest in the professional skills and well-being of our employees
- We help people to enter the workforce



RESPONSIBLE SERVICES

- We tailor our services to the needs of customers and employees
- We give guidance to our customers in matters related to working life
- We handle all data carefully



RESPONSIBLE ACTOR IN SOCIETY

- We strive to lower the threshold for employment
- We achieve significant economic impact through our operations
- We make environmentally friendly choices

RESPONSIBLE EMPLOYER

We invest significantly in people and actively develop their well-being at work. For more information about activities related to our employees' well-being, see page 25. We improve our employees' professional skills through our training offering, including the "JYEAT" Specialist Qualification in Management and Business Management and training for staffed employees.

Successful management of employment matters is critical to VMP's business. We are committed to operating in accordance with the rules and practices of working life, legislation and collective labor agreements. We work together with trade unions and comply with the laws and collective labor agreements in all our operations. We genuinely care about the occupational safety of our staffed employees: although the primary responsibility lies with the customer company, we collect information about accidents at work and develop safety in cooperation with companies.

VMP has an important role in preventing exclusion. Staffed work is a good way, for example, for immigrants to find employment or young people to get their first job. We advise and coach immigrants on matters related to the Finnish working life. We are a major employer of young people: in 2018, we offered summer jobs to 1,000 young teenagers.

RESPONSIBLE SERVICES

By accumulating understanding of our customers, we can target and tailor our services to our customers. We approach customer needs from different perspectives, including content and scope, labor needs or employer and employee characteristics.

VMP operates a customer service that offers our employee customers help with questions related to employment matters, such as salary slips, tax card or VMP Express salary. A lot of young people find employment through us, and we see customer service as a very important channel for helping them. In addition, we help and guide Eezy users also in matters related to self-employment that are not associated with the service.

VMP handles a large amount of data, for example, in recruitment, and we take data privacy into consideration in both our online and face-to-face interaction. During the year, we implemented our project related to the entry into force of the EU's General Data Protection Regulation (GDPR), which included creating a data protection organization for VMP and introducing new processes to ensure proper data protection.

RESPONSIBLE ACTOR IN SOCIETY

We want to lower the threshold for employment and increase the attractiveness of staffed work and self-employment. A concrete example of VMP's contribution is the Urapalvelu career service, which VMP operates together with Finnish TE employment services. We also strive to create commonly agreed operating models in cooperation with trade unions. The views of staffed employees were analyzed in a study by the Private Employment Agencies' Association HPL, showing that VMP's staffed employees were more satisfied than average.

IN OUR DAILY OPERATIONS, RESPONSIBILITY IS REALIZED IN VMP'S STRATEGY, PHILOSOPHY OF HELPING, TRAINING AND SHARING INFORMATION, AS WELL AS INTERNAL AUDIT AND RISK MANAGEMENT PROCESSES.

During the year, we created value for our multiple stakeholders. We are a significant employer and we pay taxes and other fees to Finland. Our positive impact on society is also reflected in our collaboration with educational institutions and cultural sponsorship.

As a service company, we promote environmental friendliness, for example, by favoring electronic documentation and orientation solutions and public transport, as well as taking environmental considerations into account in the selection of service providers. A focus area in all our operations is fostering a mindset of sustainable development.

BOARD OF DIRECTORS



PAUL SAVOLAINEN

Born 1976, Vocational qualification in information technology, Further Qualification for Entrepreneurs
Finnish citizen
Member of the Board (2013–)
Meissa-Capital Oy, CEO (2013–)
SVP-Invest Oy, CEO (2008–)

VIRVA VESANEN

Born 1986, M.Sc. (Econ.)
Finnish citizen
Member of the Board (2017–)
Sentica Partners Oy, Investment Manager (2015–)

HEIMO HAKKARAINEN

Born 1957, B.Sc. (Business Admin. & Econ.), eMBA
Finnish citizen
Member of the Board (2018–)

JONI AALTONEN

Born 1970, BBA
Finnish citizen
Member of the Board (2018–)
Pihlajalinna Oyj, CEO (2017–)

TAPIO PAJUJARJU

Born 1963, M.Sc. (Econ.)
Finnish citizen
Member of the Board (2010–)
Harvia Group, CEO (2016–)

LIISA HARJULA

Born 1972, M.Sc. (Econ.), LL.M, LL.M with court training
Finnish citizen
Chairperson of the Board (2017–)
Sentica Partners Oy, Investment Director, CFO & IR (2013–)

MIKA UOTILA

Born 1971, M.Sc. (Econ.)
Finnish citizen
Member of the Board (2017–)
Sentica Partners Oy, CEO (2010–)

Corporate Governance statement and the Salary and remuneration report are available as separate reports on [VMP's website](#).

MANAGEMENT TEAM



JUHA PESOLA

Born 1968, BBA
VMP's CEO (2018–)

PAULIINA SOINIO

Born 1975, M.Sc. (Econ.)
VMP's interim CFO as of January 1, 2019

ARI JUVONEN

Born 1961, M.Sc. (Econ.)
VMP's Director of Recruitment and Organizational Development Services (2018–)

JANI SUOMINEN

Born 1967, M. Sc., eMBA
VMP's Director of Staffing Services (2018–)

SAIJA HELLSTÉN

Born 1976
VMP's director of self-employment services (2019–)

ILPO TOIVONEN

Born 1968, LL.M, LL.M. trained at the bench,
Approved Board Member
VMP's Legal Counsel (2018–)

MATTI VUOHINIEMI

Born 1965, M.Sc. (Ed.)
VMP's HR Director (2015–)

Until May 21, 2018, VMP's CEO was **Heimo Hakkarainen**.

Until the end of 2018, VMP's CFO was **Jarmo Korhonen**.

Until March 7, 2019, VMP's Director of Self-Employment Services was **Titta Teittinen**.

PLEASE SEE WORK
EXPERIENCE AND
POSITIONS OF TRUST
ON VMP'S WEBSITE

VMP Plc

FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

1 JANUARY – 31 DECEMBER 2018



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These financial statements must be stored for at least ten years from the end of the financial year, or until 31 December 2028.

The vouchers for the financial year must be stored for at least six years after the end of the year during which the financial year ended, or until 31 December 2024.

REPORT OF THE BOARD OF DIRECTORS

Development of the market environment

The HR services market relevant to VMP's business includes staffing services, recruitment and organizational development services and self-employment services. The size of the entire HR services market in Finland according to an estimate by VMP's management was EUR 2.4 billion in 2018, growing by 9 percent year-on-year.

The share of staffing services of the entire market was EUR 2.1 billion in 2018, and it was thereby clearly the largest service area. Correspondingly, the market size of recruitment and organization development services was approximately EUR 130 million in 2018. The market size of self-employment services has been estimated as being approximately EUR 140 million.

According to The Private Employment Agencies Association (HPL), the staffing service market continued to grow during 2018. Total growth generated organically and through corporate acquisitions was 13 percent. Growth expectations of HPL's member companies have levelled out as Finland's GDP growth estimates for the ongoing year have been lowered. The management estimates that the recruitment market in 2018 has remained on the previous year's level. In the self-employment services market, the market leaders have continued strengthening their position. In addition to the Finnish market, VMP also operates in the Swedish market. The Swedish HR services market grew by approximately 3 percent in January-September 2018, with growth in staffing services at 5 percent and slightly slower in other services.

Recent positive economic development has resulted in labor shortages in some industries. Solutions are being sought through cooperation with educational institutions and by strengthening the recruitment of international labor. In addition, VMP increasingly produces more employment-promotion services through growth services pilot projects related to the health, social services and regional government reform across Finland. The company believes that the health, social services and regional government reform would grow the HR services industry in Finland and would open up demand for services offered by private HR service companies. In addition, market growth potential is seen in

digital services such as in provision of software robot labor.

Looking at different industries, the manufacturing and construction sectors are more sensitive to economic fluctuations in comparison to service industries, where the demand for HR services grows more moderately during economic upturns. The relative proportion of staffing in the service industry has increased among the industries served by VMP, especially as a consequence of realized acquisitions.

In Finland, the share of flexible forms of working of all work remains significantly lower than in comparable European countries. The market will continue its structural growth as flexible forms of working become more prevalent.

Key financial figures

VMP Plc was incorporated on September 8, 2017, and it acquired Varamiespalvelu Group through a share transaction on October 31, 2017, due to which VMP Plc's consolidated financial statements for its first financial year of August 28 – December 31, 2017 include the business operations of VMP for two months only. Due to this, consecutive financial years are not comparable. Key financial figures are presented for financial year January 1 – December 31, 2018. VMP Group has no comparative years.

EUR million, unless otherwise specified	Jan 1-Dec 31, 2018
Revenue	124.9
Adjusted EBITDA	10.2
Adjusted EBITDA margin, %	8.2%
EBITDA	9.8
Operating profit	1.8
Operating profit margin, %	1.5%
Equity-to-assets ratio, %	55.4%
Earnings per share, EUR	-0.20 ¹

Revenue and result development

VMP's revenue amounted to EUR 124.9 million. Of the Group's revenue, 95.8% came from Finland and the rest was generated in Sweden and Estonia.

VMP's chain-wide revenue amounted to EUR 204 million and franchise fees totaled EUR 8.9 million.

EUR million	2018 VMP Group	Share of the Group's revenue
Staffing	70.0	56%
Recruitment and Organizational Development	8.7	7%
Self-employment	46.1	37%
Total	124.9	100%

The Group's EBITDA amounted to EUR 9.8 million or 7.8% of the revenue. The adjusted EBITDA amounted to EUR 10.2 million or 8.2% of the revenue. EUR 0.5 million of personnel expenses relating to severance payments and bonus payments for the corporate acquisition were entered as items affecting comparability.

The Group's operating profit amounted to EUR 1.8 million or 1.5% of the revenue. The operating profit was burdened by amortizations of consolidated goodwill and goodwill, which in the review period amounted to EUR 6.9 million. The increase in amortizations of consolidated goodwill stems from the share transaction carried out on October 31, 2017, in which VMP Plc acquired the majority of Varamiespalvelu-Group's share capital, and from the share exchange carried out on May 29, 2018, in which the Group's minority shareholders received VMP Plc's shares, with the Group receiving subsidiary shares in exchange.

The result for before taxes was EUR -2.5 million and the result for the period was EUR -3.0 million. Earnings per share were EUR -0.20¹. The result was burdened by EUR 3.0 million in listing expenses, included in financing costs, as well as items affecting comparability amounting to EUR 0.5 million included in personnel costs. A deferred tax asset of EUR 0.5 million was entered for the financial year.

Significant events during the financial period

VMP Group deepened its expertise on the recruitment of white-collar workers by acquiring Arja Raukola Oy in April 2018. In May, Juha Pesola was appointed as VMP's new CEO. VMP was listed on the First North marketplace of Nasdaq Helsinki on June 19, 2018.

In September, VMP clarified its service offering by merging Romana and Personnel and operations continue under a single Personnel brand. At the same time the company divested its operations in Estonia. The divestment of operations in Estonia had no effect on the Group's results.

VMP Group carried out acquisitions late in the year. In November, VMP Group strengthened its position in the Finnish HR services market by acquiring Henkilöstötaalo Voima and in December, VMP Group acquired Enjoy Group, which focuses on the HoReCa (hotel, restaurant and catering) industry.

Financial position and cash flow

VMP's consolidated balance sheet total on December 31, 2018 was EUR 100.7 million, of which equity made up EUR 55.7 million. In the beginning of the financial period, the Group's balance sheet total was EUR 79.0 million. VMP's share was listed on Nasdaq Helsinki's First North marketplace on June 19, 2018. In the initial public offering, VMP accumulated a total of EUR 34.5 million of new funds. The new funds were entered as part of the company's reserve for invested unrestricted equity.

Shareholder loans amounting to EUR 1.3 million were converted into the reserve for invested unrestricted equity, and an investment of EUR 7.5 million was made into the reserve. In May, a share exchange was carried out, in which the Group's minority shareholders received shares of VMP Plc and the company received subsidiary shares in exchange, and in which the total subscription price of the shares, EUR 15.3 million, was entered into the reserve for invested unrestricted equity. Furthermore, an increase of share capital from the reserve for invested unrestricted equity, amounting to EUR 0.1 million, was carried out.

During the financial year and before the public listing, the Group drew new bank loans of EUR 44.5 million and repaid old bank loans amounting to EUR 43.7 million as well as a total of EUR 8.6 million in shareholder loans and their interests. Bank loans of EUR 24.6 million were repaid with the funds accumulated in the initial public offering. As of December 31, 2018, the Group has liabilities to credit institutions of EUR 20.3 million, of which EUR 20.2 million is non-current. In addition, the Group has an overdraft facility of EUR 3.0 million, which on December 31, 2018, was fully unused.

¹In the calculation of earnings per share, the number of shares is 14,799,198 (registered number of shares as of December 31, 2018).

¹In the calculation of earnings per share, the number of shares is 14,799,198 (registered number of shares as of December 31, 2018).

Equity-to-assets ratio stood at 55.4% and the Group's net debt on December 31, 2018 amounted to EUR 11.8 million. The net debt/adjusted EBITDA ratio was 1.2 x. VMP's long-term financial target for leverage is 1.5 x.

Operative free cash flow amounted to EUR 9.5 million and the cash conversion was 97.3%. Cash conversion was strong due to efficient working capital management. During the financial period, the Group's business required no significant investments.

Investments, acquisitions and changes in Group structure

VMP's investments in subsidiary shares amounted to EUR 8.7 million in 2018. Investments include the acquisitions of Arja Raukola Oy, Henkilöstöä Voima and Enjoy, acquiring of minority shares and the payments of additional purchase prices.

The acquisition of Arja Raukola Oy took place in April 2018. Arja Raukola Oy is a HR services company offering recruitment and staffing services, and it operates in Tampere and Helsinki. The company's revenue in 2018 was EUR 3.3 million and EBITDA was EUR 0.2 million. The fixed debt-free sale price was EUR 0.6 million.

VMP Group acquired Henkilöstöä Voima on November 28, 2018. The acquisition included the share capital of Yrityspalvelu Voima Oy, Voima Rakentaminen Oy and Työpalvelu Voima Oy. The companies' total revenue in the financial period in January 1 – December 31, 2018 was EUR 11.8 million, and the EBITDA was EUR 1.1 million. Companies employed 15 people in total, in addition to staffed employees. VMP financed the acquisition with its cash in hand. The fixed debt-free sale price was EUR 2.8 million, in addition to which an extra sale price of no more than EUR 2.0 million is paid based on the EBITDA in January 1 – December 31, 2018.

VMP Group acquired Extremely Nice Job Oy (Enjoy) on December 31, 2018. Enjoy is a HR services company operating nationwide, with a focus on providing HR services in the HoReCa industry. Enjoy Group's revenue was EUR 18.6 million in 2018, and the EBITDA was EUR 0.8 million. The Enjoy Group employed 34 people in addition to staffed employees. VMP financed the acquisition with its cash in hand. The fixed debt-free sale price was EUR 2.7 million, in addition to which

an extra sale price of no more than EUR 0.3 million is paid based on the EBITDA in January 1 – December 31, 2018.

VMP's investments in tangible and intangible assets totaled EUR 0.6 million in January–December. Investments in tangible and intangible assets were mainly related to IT investments and robotics development projects. VMP has no substantial research and development costs.

During the review period, intra group fusions were carried out. On September 30, 2018, the companies of the Romana sub-group merged into PD Personnel Oy Ltd. On December 31, Forshire BidCo Oy merged into Forshire MidCo Oy, and Forshire MidCo Oy merged to VMP Plc. The fusions had no impact on the Group's result or consolidated balance sheet.

Shares and share trading

Trading in VMP's share on Nasdaq Helsinki's First North marketplace began on June 19, 2018. In the initial public offering, which consisted of a public and personnel offering, VMP issued 6,038,819 new shares. The final subscription price of the share in the initial public offering was EUR 5.0 per share, corresponding to a market value of approximately EUR 69.5 million. In connection with the listing, VMP got over 1,100 new shareholders.

In a directed share issue, 905,822 additional shares were issued to Danske Bank A/S, Finland Branch, for potential stabilizing measures. The shares were subscribed in July 2018.

On December 31, 2018 VMP had 14,799,198 registered shares. The company holds no treasury shares. The company had 1,065 shareholders, including nominee registered shareholders.

By the end of December 1,839,717 VMP shares were traded in the Helsinki stock exchange and the total trading volume was EUR 9.3 million. During the time period, the highest quotation was EUR 5.80 and the lowest EUR 3.13. The volume-weighted average price of the share was EUR 5.03. The closing price of the share at the end of December was EUR 3.28 and the market value of VMP stood at EUR 48.5 million.

As of December 31, 2018, the members of the Board of Directors of VMP and the members of the management team own a total of 918,420 VMP shares, corresponding to approximately 6.2% of VMP's shares and of the votes to which they entitle. The share numbers include the direct holdings of the persons in question. In addition, Board members are employed in managerial duties by significant shareholders.

Personnel

VMP employs people in Group functions and as staffed employees assigned to customer companies. In financial year, the number of Group employees was on average 211 and the number of staffed employees was on average 1,361.

Due to the nature of the staffing service business, VMP's total number of personnel employed is higher than the number of personnel employed on average. In the calculation of the average number of staffed employees, the work input of the employees has been converted into person-years. The users of self-employment services are not included in the Group's personnel numbers.

Personnel expenses totaled EUR 105.0 million in the financial period. The total personnel expenses include salaries and remuneration, including indirect labor costs, for the Group's personnel and for the users of self-employment services.

Changes in company management

On September 27, 2018 VMP announced that VMP Plc's CFO Jarmo Korhonen had resigned from his position. On December 19, 2018 the company announced that Pauliina Soinio had been appointed interim CFO and member of the Management Team starting from January 1, 2019. Pauliina Soinio has been at VMP Group since 2012, working in several management positions in financial administration.

The composition of VMP Group's Management Team and changes to its composition during the financial period are presented in the Corporate Governance statement, published as a separate report on the company's website.

Governance

Annual General Meeting and Extraordinary General Meeting

The company's financial statements were adopted in the Annual General Meeting on March 27, 2018.

VMP's shareholders made on May 18, 2018 a unanimous decision to change the company into a public corporation and to change its name to VMP Plc. At the same time, the company's share capital was increased with an increase from reserves to the total of EUR 80,000 required from public corporations. Furthermore, it was decided that the company's shares be registered in a book-entry system. Joni Aaltonen, Heimo Hakkarainen, Tapio Pajuharju and Paul Savolainen were elected as new ordinary members of VMP Plc's Board of Directors. Liisa Harjula, Mika Uotila and Virva Vesänen continue as Board members. Liisa Harjula serves as Chairwoman of the Board.

VMP's shareholders made on May 18, 2018 a unanimous decision to increase the number of VMP shares by splitting the shares with a share issue without any compensation. Three new shares were given per each existing share and the number of the company's shares increased from 1,188,000 to 4,752,000. Additionally, the Board of Directors was authorized to decide on a share issue to be implemented in connection with a share exchange. Based on this authorization, the Board of Directors decided on May 29, 2018 to implement a share exchange in which the Group's minority shareholders received a total of 3,102,557 VMP Plc's shares and the subscription price was paid with subsidiary shares.

The company's Articles of Association previously included redemption and consent clauses. In a decision made on May 18, 2018, the company's shareholders resolved to remove these clauses from the Articles of Association in connection with the listing. VMP's shareholders authorized the Board of Directors on May 18, 2018 to resolve on a directed share issue in connection with the listing of the Company. The number of new shares to be issued on the basis of the authorization is 11,000,000 at maximum. Based on the aforementioned authorization, VMP's Board of Directors resolved on June 5, 2018 on a directed share issue in which a total of 6,038,819 shares were issued in a public and personnel offering. Furthermore, the Board of Directors

resolved on June 18, 2018 on a directed share issue to Danske Bank A/S, Finland Branch concerning additional shares. 905,822 shares in total were issued for potential stabilization measures.

An Extraordinary General Meeting on May 30, 2018 authorized the Board of Directors to resolve on approving the placing agreement and offering circular and on submitting a listing application to the First North marketplace maintained by Nasdaq Helsinki. Based on this authorization, the Board of Directors of VMP resolved on June 5, 2018 that the company will apply for its shares to be listed on the First North marketplace of Nasdaq Helsinki. Trading in the shares began on June 19, 2018.

Authorizations given to the Board of Directors

VMP's shareholders authorized on May 18, 2018 the Board of Directors to decide on the issuance of new shares or special rights under chapter 10 section 1 of the Finnish Limited Liability Companies Act that entitle to shares in one or several lots. The authorization concerns both the issuance of new shares as well as the transfer of own shares held by the company, and the aggregate number of shares to be issued on the basis of the authorization may not exceed 2,000,000 shares. New shares may be issued or special rights may be granted otherwise than in proportion to the shareholdings of the shareholders (directed share issue). The authorization remains in force until the end of the next Annual General Meeting, however, no longer than until June 30, 2019.

VMP's shareholders authorized on May 18, 2018 the Board of Directors to resolve on the repurchase of the company's own shares. The maximum number of treasury shares to be acquired under the authorization is 1,000,000 shares. However, the Company may not, together with its subsidiaries, hold more than 10 percent of all the Company's shares at any time. The authorization remains in force until the end of the next Annual General Meeting, however, no longer than until June 30, 2019.

Corporate Governance Statement

The company's Corporate Governance Statement is published separate from the report of the Board of Directors on the company's website at <https://www.vmpgroup.fi/en/investors/reports-and-presentations/>.

Assessment of the most significant business risks and uncertainties

VMP's risk management principles are based on the Finnish Corporate Governance Code for Listed Companies (2015). The objective of risk management is to ensure that the group's targets are reached and to safeguard the continuity of operations. Risk management is part of internal control.

VMP's risk management is part of the Group's ERP and thus an integral part of the Group's management system. Risk management is systematic, predictive and comprehensive, and, taking into account the Group's activities, comprehensively covers all risk areas.

The Group's risks are related to its operational environment, or business or financial risks. Risks related to the operational environment may include business development risks, market risks or legislative risks. Business level risks may include personnel risks, risks related to management, process risks, service risks, information security risks, accident risks, growth-related risks or partner risks. Financial risks include, for example, financing and credit risks. During 2018, no substantial changes have occurred in the Group's view of its risks.

Poor economic development in Finland or Sweden may have an indirect adverse impact on VMP's business and result. In economic downturns it is possible that companies use less staffing services and other HR services offered by VMP. The future development of the labor market may affect VMP's business. Substantial short-term risks also include tighter competition in the HR and recruitment market, changes in legislation or collective agreements, and the cyclical nature of the business.

VMP manages its activities according to its strategy. Therefore, the company's business operations include risks in case the company is unable to successfully realize its strategy. In its operations, VMP is reliant on its ability to find, recruit and manage a sufficient number of staffed workers, and on the successful execution of recruitment, headhunting and personal evaluation assignments. Identifying targets for corporate acquisitions, realizing corporate acquisitions and integrating the acquired companies into the Group's operations may present a risk for VMP's business. Development of new

products and services include risks to business operations. In addition, there are risks related to the functionality of the Group's IT systems, data privacy, and the competence and skills of key employees. The Group's business also includes reputational risk.

More information about VMP's risk management is available on the company website at <https://www.vmpgroup.fi/en/>.

Long term financial targets

The Board of Directors has approved the following long-term financial targets.

- **Growth:** Revenue growth exceeding market growth
- **Profitability:** 10 percent adjusted EBITDA margin
- **Leverage:** Net debt / adjusted EBITDA ratio of 1.5 x
- **Dividends:** The target is to pay out 30–50 percent of the annual net result adjusted with amortization of goodwill as dividends to shareholders. The company's Board of Directors assesses annually the balance between the dividend to be paid and the company's financial standing, cash flow and growth investments and gives a proposal of the amount of dividend to be paid based on this assessment.

Outlook for 2019

VMP expects adjusted EBITDA to grow significantly during the financial period ending December 31, 2019 compared to the financial period ended December 31, 2018.

Significant events after the review period

After the end of the financial period, VMP has strengthened its position in staffing in the retail sector by acquiring Henkilöstöratkaisu Extraajat Oy on February 14, 2019. Extraajat provides staffing services nationwide and is especially focused on customers and employees in the retail sector. Henkilöstöratkaisu Extraajat Oy's revenue in the previous financial period was EUR 19.8 million and the EBITDA was EUR 1.7 million. VMP financed the acquisition by bank loan and its cash in hand. The fixed debt-free sale price is EUR 7 million.

VMP sold Alina Hoivatiimi Oy to Norlandia Care Oy with a sales contract signed on February 15, 2019. Alina is a nationwide franchise chain offering home care, domestic work and home medical care services. Alina Group's revenue in 2018 was EUR 1.5 million. The debt-free sale price paid in cash was

EUR 1.5 million. Outside of profit from the sale, approximately EUR 0.7 million, the sale has no significant impact on VMP Group's result.

Board proposal for utilization of distributable funds

The parent company's distributable funds in the financial statement on December 31, 2018, was EUR 63.1 million, of which profit for the financial period was EUR 3.7 million. The Board proposes to the Annual General Meeting that dividend be paid EUR 0.08 per share, corresponding to a total of EUR 1.2 million.

The Board proposes paying dividends in full on April 8, 2019 to shareholders who on the record date of April 1, 2019 are listed in the company's register of shareholders maintained by Euroclear Finland Oy.

Annual General Meeting 2019

VMP's Annual General Meeting will be held on March 28, 2019. The Board of VMP will convene the Annual General Meeting separately at a later date.

Statement of non-financial information

VMP's business operations

VMP Group consists of the parent company, VMP Plc and its subsidiaries. VMP's business operations are divided into three service areas: staffing, recruitment and organizational development and self-employment services.

In staffing services, we provide temporary labor to our corporate customers, where the employee is in an employment relationship to the staffing company, but works for the agreed period of time at the customer company. In staffing we operate under the VMP Varamiespalvelu, Staffplus, Henkilöstöalo Voima and Enjoy brands. VMP offers staffing services both through its own units and through franchisees. The recruitment and organizational development services offered by Personnel consist of services related to finding permanent staff and from training and development services for a company's personnel. Through the Eezy self-employment services, a private individual can operate independently as an entrepreneur without establishing their own company by billing customers through VMP's service. VMP Group also offers home care services under the Alina brand.

With its comprehensive service offering, VMP aims to respond to the changing needs of employers and employees. Thanks to its wide offering, VMP is able to operate as a full-service HR partner to its customers. VMP serves customers in Finland and Sweden, in addition to which the Group maintains a staffer recruitment office in Romania.

Environment

VMP's operations do not involve significant environmental considerations. Due to the nature of VMP's business operations, the direct environmental impact of the company's services is estimated to be minor.

Social and personnel matters

VMP's goal is to help employers and employees succeed in a changing world of work. VMP's business, growth and success are based on our skilled personnel, including both our Group employees and our staffed employees. In addition to staff knowhow, our focus is on advancing well-being.

To VMP, it is important that staffed work is fair for both the employee and for the company employing staffed personnel. Working in accordance with the rules of working life, legislation and collective labor agreements is emphasized in the Group's activities. VMP cooperates with labor unions and takes care of the occupational safety of staffed employees in cooperation with our customers.

VMP plays a significant role in preventing social exclusion. Young people and persons with migrant backgrounds are employed through VMP. In addition, VMP participates in the growth services reform related to the public sector's health, social services and regional government reform, where the aim is to promote employment, the availability of skilled labor and to respond to changes in the labor market.

VMP sees the availability of skilled personnel for both customer companies and for positions in the Group as its most significant social and personnel risk.

Key themes in VMP's personnel affairs are well-being at work and occupational safety. Well-being at work is measured continuously with personnel NPS reporting. In addition, development of well-being is monitored based on the sickness absence rate of employees. Occupational accidents are monitored together with the occupational health care service in order to improve occupational safety.

Respect for human rights and prevention of corruption and bribery

At VMP we honor and follow human rights. We do not discriminate against our employees nor our applicants under any basis. We seek to create sought-after employment for all our employees, where they are treated with uniform respect, and we promote a culture of diversity. We do not accept harassment or workplace bullying in any form. VMP has received no reports of human rights violations related to its operations during the financial period. VMP Group does not have comparative years.

During the year, VMP carried out a project relating to the EU's General Data Protection Regulation (GDPR), where an information safety organization was created for the company, and new processes to ensure appropriate data protection were implemented.

In addition, VMP is committed to combating corruption in all its forms, including blackmailing and bribery. Services, gifts or benefits that could reasonably be assumed to affect decision-making in a company are not offered nor received. Personnel have the possibility to report cases of misuse or suspected misuse to their supervisor or to the company's management. VMP has received no reports of misuse or suspected misuse during the financial period. VMP Group does not have comparative years.

Helsinki, February 27, 2019

VMP Plc

Board of Directors

CONSOLIDATED BALANCE SHEET	31 Dec 2018	31 Dec 2017
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	169,971.07	224,118.51
Goodwill	65,596.48	137,720.31
Group goodwill	67,491,678.42	54,934,465.32
Other non-current expenditures	1,864,749.46	2,108,383.26
Advance payments	104,740.33	0.00
Total intangible assets	69,696,735.76	57,404,687.40
Tangible assets		
Machinery and equipment	624,118.62	415,692.52
Other tangible assets	26,848.02	23,848.02
Advance payments	0.00	7,385.2
Total tangible assets	650,966.64	446,925.74
Investments		
Participating interests	106,232.98	0.00
Other shares and similar rights of ownership	225,278.11	180,655.39
Total investments	331,511.09	180,655.37
TOTAL NON CURRENT ASSETS	70,679,213.49	58,032,268.53
CURRENT ASSETS		
Inventories		
Finished products	0.00	421.00
Total inventories	0.00	421.00
Non-current receivables		
Receivables from participating interest companies	50,000.00	0.00
Loan receivables	23,125.00	11,000.00
Other receivables	284,251.85	77,832.02
Total non-current receivables	357,376.85	88,832.02
Current receivables		
Trade receivables	17,816,043.43	14,522,819.07
Receivables from participating interest companies	40,000.00	0.00
Loan receivables	66,325.55	105,896.13
Deferred tax asset	527,000.00	0.00
Other receivables	581,017.60	415,454.76
Prepayments and accrued income	2,000,342.42	1,044,468.23
Total current receivables	21,030,729.00	16,088,638.19
Cash at bank and in hand	8,645,447.81	4,830,115.24
TOTAL CURRENT ASSETS	30,033,553.66	21,008,006.45
TOTAL ASSETS	100,712,767.15	79,040,274.98

CONSOLIDATED BALANCE SHEET	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	2,500.00
Translation differences	-103,396.67	-5,559.84
Other reserves		
Reserve for invested unrestricted equity	59,788,713.50	1,185,500.00
Retained earnings	-1,047,309.22	0.00
Profit (loss) for the financial year	-2,974,820.09	-1,550,406.30
TOTAL EQUITY	55,743,187.51	-367,966.14
Minority shares	0.00	5,576,291.67
LIABILITIES		
Non-current liabilities		
Liabilities to credit institutes	20,171,214.78	42,834,000.00
Trade payables	0.00	4,135.63
Liabilities to group companies	0.00	1,268,142.40
Other liabilities	203,733.90	9,186,094.61
Accruals and deferred income	0.00	71,198.06
Total non-current liabilities	20,374,948.68	53,363,570.70
Current liabilities		
Liabilities to credit institutes	93,348.96	1,666,000.00
Advances received	3,194.00	15,183.64
Trade payables	2,218,321.78	1,863,788.65
Other liabilities	9,303,739.73	7,223,976.36
Accruals and deferred income	12,976,026.50	9,699,430.10
Total current liabilities	24,594,630.96	20,468,378.75
TOTAL LIABILITIES	44,969,579.64	73,831,949.45
TOTAL EQUITY AND LIABILITIES	100,712,767.15	79,040,274.98

CONSOLIDATED INCOME STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
REVENUE	124,892,314.51	20,978,438.46
Other operating income	274,846.87	4,497.51
Materials and services		
Materials and consumables		
Purchases during the financial year	-618,428.36	-136,157.48
Change in inventories	-421.00	-1,397.09
External services	-1,591,523.59	-281,180.99
Total materials and services	-2,210,372.95	-418,735.56
Personnel expenses		
Wages and salaries	-92,943,702.37	-14,751,033.67
Pension expenses	-8,680,328.66	-1,323,929.82
Other social security expenses	-3,352,059.80	-750,307.71
Total social security expenses	-12,032,388.46	-2,074,237.53
Total personnel expenses	-104,976,090.83	-16,825,271.20
Depreciation, amortization and impairment losses		
Depreciation and amortization according to plan	-7,901,578.73	-1,282,292.99
Impairment losses on non-current assets	-23,956.90	0.00
Total depreciation, amortization and impairment losses	-7,925,535.63	-1,282,292.99
Other operating expenses	-8,228,866.42	-2,998,303.99
OPERATING PROFIT (LOSS)	1,826,295.54	-541,667.77
Financial income and expenses		
Income from other investments held as non-current	644.24	0.00
Other interest income and other financial income	22,900.20	16,702.36
Interest expenses and other financial expenses	-4,363,155.91	-1,580,086.33
Total financial income and expenses	-4,339,611.47	-1,563,383.97
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-2,513,315.93	-2,105,051.74
Income taxes		
Taxes for the financial year and previous financial years	-988,504.16	-231,731.66
Deferred taxes	527,000.00	0.00
Total income taxes	-461,504.16	-231,731.66
Minority shares	0.00	786,377.10
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-2,974,820.09	-1,550,406.30

CONSOLIDATED CASH FLOW STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	126,082,428.78	20,586,950.31
Cash receipts from other operating income	274,846.93	4,497.51
Cash paid to suppliers and employees	-116,225,064.60	-18,799,649.72
Cash flow from operating activities before financial items and taxes	10,132,211.11	1,791,798.10
Interest and expenses paid from other operating financial expenses	-82,833.54	-8,929.40
Interest received from operating activities	21,373.68	16,702.36
Dividends received from operating activities	484.40	0.00
Direct taxes paid	-1,653,591.22	-178,965.26
NET CASH FROM OPERATING ACTIVITIES	8,417,644.43	1,620,605.80
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-643,123.57	-214,095.78
Proceeds from sale of tangible and intangible assets	52,640.00	0.00
Granted loans	-220,500.00	0.00
Investments in subsidiaries	-8,658,375.52	-33,119,291.25
NET CASH USED IN INVESTING ACTIVITIES	-9,184,908.78	-33,333,387.03
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	42,034,372.50	1,960,750.00
Change in current receivables	480,733.74	-79,284.83
Repayment of current loans and borrowings	-1,180,599.80	0.00
Change in non-current receivables	-131,492.66	4,618.44
Proceeds from non-current loans and borrowings	18,833,000.00	35,052,330.00
Repayment of non-current loans and borrowings	-50,787,001.00	-9,751.89
Interest and other financial expenses paid	-4,666,415.86	-385,765.25
NET CASH USED IN FINANCING ACTIVITIES	4,582,596.92	36,542,896.47
Net increase/decrease in cash and cash equivalents	3,815,332.57	4,830,115.24
Cash and cash equivalents at beginning of financial year	4,830,115.24	0.00
Cash and cash equivalents at end of financial year	8,645,447.81	4,830,115.24
Net increase/decrease in cash and cash equivalents	3,815,332.57	4,830,115.24

PARENT COMPANY'S BALANCE SHEET	31 Dec 2018	31 Dec 2017
ASSETS		
NON-CURRENT ASSETS		
Investments		
Holdings in group companies	56,350,175.51	9,693,000.00
Total investments	56,350,175.51	9,693,000.00
TOTAL NON-CURRENT ASSETS	56,350,175.51	9,693,000.00
CURRENT ASSETS		
Non-current receivables		
Receivables from group companies	3,518,555.56	9,822,240.00
Total non-current receivables	3,518,555.56	9,822,240.00
Current receivables		
Receivables from group companies	15,275,908.24	0.00
Other receivables	11,586.60	0.00
Prepayments and accrued income	32,990.09	0.00
Total current receivables	15,320,484.93	0.00
Cash at bank and in hand	174,263.67	779,185.36
TOTAL CURRENT ASSETS	19,013,304.16	10,601,425.36
TOTAL ASSETS	75,363,479.67	20,294,425.36
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	2,500.00
Other reserves		
Reserve for invested unrestricted equity	59,788,713.50	1,185,500.00
Retained earnings	-341,121.71	0.00
Profit (loss) for the financial year	3,700,810.48	-341,121.71
TOTAL EQUITY	63,228,402.27	846,878.29
LIABILITIES		
Non-current liabilities		
Liabilities to credit institutes	10,832,999.00	18,000,000.00
Liabilities to group companies	0.00	1,268,142.40
Other liabilities	0.00	51,859.40
Accruals and deferred income	0.00	704.72
Total non-current liabilities	10,832,999.00	19,320,706.52
Current liabilities		
Trade payables	282,329.06	6,161.89
Liabilities to group companies	34,854.99	0.00
Other liabilities	21,296.93	0.00
Accruals and deferred income	963,597.42	120,678.66
Total current liabilities	1,302,078.40	126,840.55
TOTAL LIABILITIES	12,135,077.40	19,447,547.07
TOTAL EQUITY AND LIABILITIES	75,363,479.67	20,294,425.36

PARENT COMPANY'S INCOME STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
REVENUE	303,800.00	0.00
Personnel expenses		
Wages and salaries	-285,268.33	0.00
Social security expenses		
Pension expenses	-48,407.53	0.00
Other social security expenses	-5,963.40	0.00
Total social security expenses	-54,370.93	
Total personnel expenses	-339,639.26	0.00
Other operating expenses	-242,495.82	-2,521.40
OPERATING PROFIT (LOSS)	-278,335.08	-2,521.40
Financial income and expenses		
Income from holdings in group companies	6,000,000.00	0.00
Other interest income and other financial income		
From other companies	211.13	0.00
From group companies	1,246,220.27	129,240.00
Interest expenses and other financial expenses		
To other companies	-3,156,683.48	-450,838.51
To group companies	-110,602.36	-17,001.80
Total financial income and expenses	3,979,145.56	-338,600.31
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	3,700,810.48	-341,121.71
PROFIT (LOSS) FOR THE FINANCIAL YEAR	3,700,810.48	-341,121.71

PARENT COMPANY'S CASH FLOW STATEMENT	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	303,800.00	0.00
Cash paid to suppliers and employees	-553,102.53	-79.00
Cash flow from operating activities before financial items and taxes	-249,302.53	-79.00
Interest and expenses paid from other operating financial expenses	-46.01	0.00
Interest received from operating activities	211.13	0.00
NET CASH FROM OPERATING ACTIVITIES	-249,137.41	-79.00
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in subsidiaries	-245,445.46	-9,693,000.00
Interest received from investing activities	446,143.56	0.00
NET CASH USED IN INVESTING ACTIVITIES	200,698.10	-9,693,000.00
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	42,037,372.50	1,188,000.00
Change in current receivables	-6,378,794.17	0.00
Proceeds from non-current loans and borrowings	0.00	19,303,000.00
Repayment of non-current loans and borrowings	-18,000,000.00	0.00
Change in non-current receivables	-14,904,577.40	-9,693,000.00
Interest and other financial expenses paid	-3,405,613.01	-325,735.64
NET CASH USED IN FINANCING ACTIVITIES	-651,612.08	10,472,264.36
Net increase/decrease in cash and cash equivalents	-700,051.39	779,185.36
Cash and cash equivalents at beginning of financial year	779,185.36	0.00
Cash and cash equivalents at end of financial year	174,263.67	779,185.36
Net increase/decrease in cash and cash equivalents	-604,921.69	779,185.36
Cash and cash equivalents transferred in intra-group merger	95,129.70	

ACCOUNTING PRINCIPLES FOR FINANCIAL STATEMENTS

Comparability of financial year and comparative year

Financial statements are prepared for the financial year 1 January - 31 December, 2018. Comparative year is financial year 28 August - 31 December, 2017.

VMP Plc acquired Varamiespalvelu Group through a share transaction on October 31, 2017, due to which VMP Plc's consolidated financial statements for 2017 include the business operations of VMP for two months only.

Due to this, consecutive financial years are not comparable.

Measurement and recognition principles and methods

Intangible assets are carried at cost less amortization according to plan, and tangible assets at cost consisting of related variable expenditures less depreciation according to plan, and are presented under non-current assets. Investments presented under non-current assets are carried at cost.

Trade, loan and other receivables held under current assets are carried at the lower of nominal value and probable value.

Intangible and tangible assets held under non-current assets are amortised / depreciated in accordance with a pre-determined plan, by applying the maximum amortisation / depreciation allowed under the Finnish Business Tax Act (BTA).

The cost of an asset, less its residual value, is amortised / depreciated over its estimated useful life.

Asset	Estimated useful life / years	Depreciation / amortisation percentage and method
Other non-current expenditures	5-10	10% or 20% straight-line method
Group goodwill	10	10% straight-line method
Machinery and equipment	appr. 8	maximum depreciation allowed under BTA
IT software	5	20% straight-line method

Foreign currency transactions

The receivables in foreign currencies are translated into Finnish currency using the exchange rate quoted on the balance sheet date.

Consolidation principles

The consolidated financial statements are prepared using the purchase method of accounting to eliminate intra-group holdings.

Intra-group transactions as well as mutual receivables and liabilities are eliminated.

ACCOUNTING PRINCIPLES FOR FINANCIAL STATEMENTS

Notes to subsidiaries

Name of the subsidiary	Domicile	The aggregate holding of the group companies in the subsidiary as of 31 Dec 2018
Varamiespalvelu-Group Oy	Helsinki	100%
Bework Oy	Helsinki	100%
Castanea Oy	Helsinki	100%
Conrator Oy	Helsinki	100%
Sonire Oy	Helsinki	100%
Staff Ok Oy	Helsinki	100%
Staffservice Finland Oy	Helsinki	100%
Workcontrol Oy	Helsinki	100%
Caperea Oy	Helsinki	100%
VMP Power Oy	Helsinki	100%
Kapera Oy	Helsinki	100%
Alina Hoivatiimi Oy	Kuopio	80%
Kotihoito Saga Oy	Kuopio	
Eezy Osk	Helsinki	100%
VMP Ura Oy	Helsinki	100%
PD Personnel Development Oy Ltd	Tampere	100%
Staff Plus Oy	Helsinki	100%
Yrityspalvelu Voima Oy	Tampere	100%
Työpalvelu Voima Oy	Tampere	100%
Voima Rakentaminen Oy	Tampere	100%
Extremely Nice Job Oy	Jyväskylä	100%
Enjoy Bar Oy	Helsinki	
Enjoy Piisi Oy	Helsinki	
Enjoy Prikka Oy	Helsinki	
Enjoy Bar Itä Oy	Jyväskylä	
Enjoy Bar Länsi Oy	Tampere	
Enjoy Bar Pohjoinen Oy	Oulu	
Enjoy Piisi Itä Oy	Jyväskylä	
Enjoy Piisi Länsi Oy	Tampere	
Enjoy Piisi Pohjoinen Oy	Oulu	
Enjoy Prikka Itä Oy	Jyväskylä	
Enjoy Prikka Länsi Oy	Tampere	
Enjoy Prikka Pohjoinen Oy	Oulu	
Enjoy Respa Oy	Helsinki	
Enjoy Management Oy	Helsinki	
VMP Group OÜ	Tallinna	100%
VMP-Group Sweden AB	Tukholma	92.69%
VMP Bemanning AB		
VMP Karriär & Utveckling AB		
Protorent AB		
KOLMI Logistik AB		

Enjoy Management Oy's financial statements are not consolidated in the consolidated financial statements, since the company has not had business operations.

Mergers

Romana Management Oy merged to Romana Executive Oy, and Romana Executive Oy and Romana Image Oy to PD Personnel Oy Ltd on September 30, 2018.

Forshire BidCo Oy merged to Forshire MidCo Oy and Forshire MidCo Oy to VMP Plc on December 31, 2018.

Ownerships in other companies	Domicile	Percentage of ownership
Enjoy Festival Oy	Helsinki	42%
Zigmund Oy	Turku	40%

Participating interest companies are consolidated to consolidated financial statements using the equity method.

Events after the reporting period

On February 14, 2019 VMP acquired Henkilöstöratkaisu Extraajat Oy.

On February 15, 2019 VMP divested Alina Hoivatiimi Oy and Kotihoito Saga Oy.

NOTES TO THE INCOME STATEMENT**Revenue**

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
<i>Revenue by service area</i>				
Staffing	303,800.00	0.00	70,027,556.09	12,059,253.06
Recruitment and organizational development	0.00	0.00	8,737,051.20	1,618,367.49
Self-employment	0.00	0.00	46,127,707.22	7,300,817.91
	303,800.00	0.00	124,892,314.51	20,978,438.46

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
<i>Revenue by geographical area</i>				
Finland	303,800.00	0.00	119,642,823.66	19,561,630.86
Other countries	0.00	0.00	5,249,490.85	1,416,807.60
	303,800.00	0.00	124,892,314.51	20,978,438.46

Notes to the personnel and management*Average number of personnel during the financial year*

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Salaried employees	1	0	211	199
Workers	0	0	1,361	1,312
	1	0	1,553	1,511

Management remuneration

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
CEO and his deputy	160,419.53	0.00	739,816.71	71,933.16
Board members	32,000.00	0.00	42,000.00	8,000.00

Auditor's fees

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
<i>KPMG Oy Ab</i>				
Audit fees	138,032.50	2,430.40	232,379.66	15,542.16
Tax advisory fees	31,820.00	0.00	88,444.86	16,045.92
Other fees	359,677.65	0.00	544,880.63	72,871.73
	529,530.15	2,430.40	865,705.15	104,459.81

Financial income and expense

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Income from other investments held as non-current				
From group companies	6,000,000.00	0.00	0.00	0.00
From other companies	0.00	0.00	484.40	0.00
Total dividends income	6,000,000.00	0.00	484.40	0.00
Interest income from non-current investments				
From other companies	0.00	0.00	159.84	0.00
Other interest income				
From group companies	1,246,220.27	129,240.00	0.00	0.00
From other companies	211.13	0.00	19,379.42	16,294.77
Total interest income	1,246,431.40	129,240.00	19,539.26	16,294.77
Other financial income				
From other companies	0.00	0.00	3,520.78	407.59
Total other financial income	0.00	0.00	3,520.78	407.59
Total financial income	7,246,431.40	129,240.00	23,544.44	16,702.36
Interest expenses				
For group companies	-42,528.77	-17,001.80	-40,584.95	-17,001.80
For other companies	-301,051.58	-121,371.38	-1,277,823.15	-386,528.52
Total interest expenses	-343,580.35	-138,373.18	-1,318,408.10	-403,530.32
Other financial expenses				
For group companies	-68,073.59	0.00	0.00	0.00
For other companies	-2,855,631.90	-329,467.13	-3,044,747.81	-1,176,556.01
Total other financial expenses	-2,923,705.49	-329,467.13	-3,044,747.81	-1,176,556.01
Total financial expenses	-3,267,285.84	-467,840.31	-4,363,155.91	-1,580,086.33
Total financial income and expenses	3,979,145.56	-338,600.31	-4,339,611.47	-1,563,383.97

Income taxes

	Parent company		Group	
	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017	1 Jan - 31 Dec 2018	28 Aug - 31 Dec 2017
Income tax on operating activities	0.00	0.00	-988,504.16	-231,731.66
Deferred tax assets	0.00	0.00	527,000.00	0.00
	0.00	0.00	-461,504.16	-231,731.66

NOTES TO THE BALANCE SHEET / ASSETS

NON-CURRENT ASSETS	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
INTANGIBLE ASSETS				
Intangible rights				
Cost at 1 Jan	0.00	0.00	230,511.10	0.00
Changes in the group structure	0.00	0.00	136.10	288,802.56
Increases	0.00	0.00	32,516.40	40,738.03
Transfers between classes	0.00	0.00	0.00	-99,029.49
Cost at 31 Dec	0.00	0.00	263,163.60	230,511.10
Accumulated depreciation and impairment losses at Jan 1	0.00	0.00	-6,392.59	0.00
Depreciation	0.00	0.00	-86,799.94	-6,392.59
Accumulated depreciation and impairment losses at 31 Dec	0.00	0.00	-93,192.53	-6,392.59
Book value at 31 Dec	0.00	0.00	169,971.07	224,118.51
Goodwill				
Cost at 1 Jan	0.00	0.00	170,574.08	0.00
Changes in the group structure	0.00	0.00	0.00	170,574.08
Cost at 31 Dec	0.00	0.00	170,574.08	170,574.08
Accumulated amortization and impairment losses at Jan 1	0.00	0.00	-32,853.77	0.00
Amortization	0.00	0.00	-72,123.83	-32,853.77
Accumulated amortization and impairment losses at 31 Dec	0.00	0.00	-104,977.60	-32,853.77
Book value at 31 Dec	0.00	0.00	65,596.48	137,720.31
Group goodwill				
Cost at 1 Jan	0.00	0.00	55,994,727.56	0.00
Changes in the group structure	0.00	0.00	0.00	11,830,774.06
Increases	0.00	0.00	19,410,452.36	44,163,953.50
Cost at 31 Dec	0.00	0.00	75,405,179.92	55,994,727.56
Accumulated amortization and impairment losses at Jan 1	0.00	0.00	-1,060,262.24	0.00
Translation differences	0.00	0.00	-1,204.15	-2,940.34
Amortization	0.00	0.00	-6,852,035.11	-1,057,321.90
Accumulated amortization and impairment losses at 31 Dec	0.00	0.00	-7,913,501.50	-1,060,262.24
Book value at 31 Dec	0.00	0.00	67,491,678.42	54,934,465.32

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Other non-current expenditures				
Cost at 1 Jan	0.00	0.00	2,252,961.80	0.00
Changes in the group structure	0.00	0.00	132,003.76	2,066,191.46
Increases	0.00	0.00	412,989.97	87,740.85
Transfers between classes	0.00	0.00	0.00	99,029.49
Cost at 31 Dec	0.00	0.00	2,797,955.53	2,252,961.80
Accumulated depreciation and impairment losses at Jan 1	0.00	0.00	-144,578.54	0.00
Amortization	0.00	0.00	-788,627.53	-144,578.54
Accumulated depreciation and impairment losses at 31 Dec	0.00	0.00	-933,206.07	-144,578.54
Book value at 31 Dec	0.00	0.00	1,864,749.46	2,108,383.26
Advance payments				
Cost at 1 Jan	0.00	0.00	0.00	0.00
Increases	0.00	0.00	104,740.33	0.00
Cost at 31 Dec	0.00	0.00	104,740.33	0.00
Book value at 31 Dec	0.00	0.00	104,740.33	0.00
Total intangible assets	0.00	0.00	69,696,735.76	57,404,687.40

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
TANGIBLE ASSETS				
Machinery and equipment				
Cost at 1 Jan	0.00	0.00	456,838.71	0.00
Changes in the group structure	0.00	0.00	261,859.03	374,609.45
Increases	0.00	0.00	127,086.77	82,229.26
Decreases	0.00	0.00	-56,150.13	0.00
Cost at 31 Dec	0.00	0.00	789,634.38	456,838.71
Accumulated depreciation and impairment losses at Jan 1	0.00	0.00	-41,146.19	0.00
Depreciation	0.00	0.00	-124,369.57	-41,146.19
Accumulated depreciation and impairment losses at 31 Dec	0.00	0.00	-165,515.76	-41,146.19
Book value at 31 Dec	0.00	0.00	624,118.62	415,692.52
Other tangible assets				
Cost at 1 Jan	0.00	0.00	23,848.02	0.00
Changes in the group structure	0.00	0.00	0.00	23,848.02
Increases	0.00	0.00	3,000.00	0.00
Cost at 31 Dec	0.00	0.00	26,848.02	23,848.02
Book value at 31 Dec	0.00	0.00	26,848.02	23,848.02
Advance payments and construction in progress				
Cost at 1 Jan	0.00	0.00	7,385.20	0.00
Changes in the group structure	0.00	0.00	-7,385.20	0.00
Increases	0.00	0.00	0.00	7,385.20
Cost at 31 Dec	0.00	0.00	0.00	7,385.20
Book value at 31 Dec	0.00	0.00	0.00	7,385.20
Total tangible assets	0.00	0.00	650,966.64	446,925.74

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
INVESTMENTS				
Shares in group companies				
Cost at 1 Jan	9,693,000.00	0.00	0.00	0.00
Changes in the group structure	0.00	9,693,000.00	0.00	0.00
Increases	46,657,175.51	0.00	0.00	0.00
Cost at 31 Dec	56,350,175.51	9,693,000.00	0.00	0.00
Book value at 31 Dec	56,350,175.51	9,693,000.00	0.00	0.00
Participating companies				
Cost at 1 Jan	0.00	0.00	0.00	0.00
Changes in the group structure	0.00	0.00	106,232.98	0.00
Cost at 31 Dec	0.00	0.00	106,232.98	0.00
Book value at 31 Dec	0.00	0.00	106,232.98	0.00
Other shares and similar rights of ownership				
Cost at 1 Jan	0.00	0.00	180,655.39	0.00
Changes in the group structure	0.00	0.00	44,622.72	130,653.25
Increases	0.00	0.00	0.00	50,002.14
Cost at 31 Dec	0.00	0.00	225,278.11	180,655.39
Book value at 31 Dec	0.00	0.00	225,278.11	180,655.39
Other receivables				
Cost at 1 Jan	0.00	0.00	0.00	0.00
Changes in the group structure	0.00	0.00	0.00	135,000.00
Decreases	0.00	0.00	0.00	-135,000.00
Cost at 31 Dec	0.00	0.00	0.00	0.00
Book value at 31 Dec	0.00	0.00	0.00	0.00
Investments	56,350,175.51	9,693,000.00	331,511.09	180,655.39
TOTAL NON-CURRENT ASSETS	56,350,175.51	9,693,000.00	70,679,213.49	58,032,268.83

CURRENT ASSETS	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Receivables from group companies				
Non-current receivables				
Loan receivables	3,518,555.56	9,693,000.00	0.00	0.00
Prepayments and accrued income	0.00	129,240.00	0.00	0.00
Total non-current receivables	3,518,555.56	9,822,240.00	0.00	0.00
Current receivables				
Trade receivables	297,378.07	0.00	0.00	0.00
Prepayments and accrued income	132,933.93	0.00	0.00	0.00
Other receivables	14,845,596.24	0.00	0.00	0.00
Total current receivables	15,275,908.24	0.00	0.00	0.00
Total receivables from group companies	18,794,463.80	9,822,240.00	0.00	0.00
Receivables from participating interest companies				
Non-current receivables				
Loan receivables	0.00	0.00	50,000.00	0.00
Total non-current receivables	0.00	0.00	50,000.00	0.00
Current receivables				
Other receivables	0.00	0.00	40,000.00	0.00
Total current receivables	0.00	0.00	40,000.00	0.00
Total receivables from participating interest companies	0.00	0.00	90,000.00	0.00

CHANGES IN EQUITY	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Restricted equity				
Share capital at 1 Jan	2,500.00	0.00	2,500.00	0.00
Rights issue	0.00	2,500.00	0.00	2,500.00
Increase in share capital	77,500.00	0.00	77,500.00	
Share capital at 31 Dec	80,000.00	2,500.00	80,000.00	2,500.00
Total restricted equity	80,000.00	2,500.00	80,000.00	2,500.00
Unrestricted equity				
Reserve for invested unrestricted equity at 1 Jan	1,185,500.00	0.00	1,185,500.00	0.00
Issue of shares	0.00	1,185,500.00	0.00	1,185,500.00
Initial public offering	34,529,112.50	0.00	34,529,112.50	0.00
Investments	7,505,260.00	0.00	7,505,260.00	0.00
Converted loan capital	1,306,000.00	0.00	1,306,000.00	0.00
Share exchange	15,340,341.00	0.00	15,340,341.00	0.00
Transfers between classes, increase in share capital	-77,500.00	0.00	-77,500.00	0.00
Reserve for invested unrestricted equity at 31 Dec	59,788,713.50	1,185,500.00	59,788,713.50	1,185,500.00
Translation differences at 1 Jan	0.00	0.00	-5,559.84	0.00
Change in translation differences	0.00	0.00	-97,836.83	-5,559.84
Translation differences at 31 Dec	0.00	0.00	-103,396.67	-5,559.84
Retained earnings at 1 Jan	-341,121.71	0.00	-1,550,406.30	0.00
Translation differences	0.00	0.00	94,787.78	0.00
Removal of minority shares	0.00	0.00	408,309.30	0.00
Retained earnings at 31 Dec	-341,121.71	0.00	-1,047,309.22	0.00
Profit (loss) for the financial year	3,700,810.48	-341,121.71	-2,974,820.09	-1,550,406.30
Total retained earnings	3,359,688.77	-341,121.71	-4,022,129.32	-1,550,406.30
Total unrestricted equity	63,148,402.27	844,378.29	55,663,187.51	-370,466.14
TOTAL EQUITY	63,228,402.27	846,878.29	55,743,187.51	-367,966.14

SPECIFICATION OF DISTRIBUTABLE FUNDS	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Retained earnings at 31 Dec	-341,121.71			
Profit (loss) for the financial year	3,700,810.48			
Reserve for invested unrestricted equity at 31 Dec	59,788,713.50			
Total distributable funds	63,148,402.27			
Liabilities to group companies				
Non-current liabilities to group companies				
Loan	0.00	1,251,140.60	0.00	1,251,140.60
Accruals and deferred income	0.00	17,001.80	0.00	17,001.80
Total liabilities to group companies	0.00	1,268,142.40	0.00	1,268,142.40
COLLATERALS AND COMMITMENTS				
<u>Liabilities, mortgage and shares as collaterals</u>				
Liabilities to credit institutions, other mortgage as collateral	10,832,999.00	0.00	20,264,563.74	26,500,000.00
Liabilities to credit institutions	10,832,999.00	0.00	20,264,563.74	26,500,000.00
Liabilities, mortgages and shares as collaterals	10,832,999.00	0.00	20,264,563.74	26,500,000.00
<u>Collaterals and commitments</u>				
Company mortgage given to collateral for liabilities to credit institutions	40,300,000.00	0.00	80,700,000.00	80,600,000.00
Book value of fixed assets, collateral for liabilities to credit institutions	0.00	0.00	254,868.08	0.00
Other mortgage, collateral for liabilities to credit institutions	40,300,000.00	0.00	80,954,868.08	80,600,000.00
Book value of pledged shares, collateral for liabilities to credit institutions	56,350,175.51	0.00	56,350,175.51	64,881,676.67
Amount of the pledged shareholder loans, collateral for liabilities to credit institutions	0.00	0.00	0.00	17,972,000.00
Pledged shares	56,350,175.51	0.00	56,350,175.51	82,853,676.67
Mortgage and shares, collateral for liabilities to credit institutions	96,650,175.51	0.00	137,304,861.59	163,453,676.67

	Parent company		Group	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
<u>Collaterals for own liabilities</u>				
Deposits	0.00	0.00	42,500.00	0.00
Guarantees	0.00	0.00	243,788.27	253,966.96
Othes	0.00	0.00	700.73	0.00
Collaterals for own liabilities	0.00	0.00	286,989.00	253,966.96
<u>Collaterals given on behalf of group companies</u>				
Guarantees	3,000,000.00	0.00	10,000,000.00	28,000,000.00
Collaterals given on behalf of group companies	3,000,000.00	0.00	10,000,000.00	28,000,000.00
Collaterals	99,650,175.51	0.00	147,591,850.59	191,707,643.63
<u>Group bank account with overdraft facility</u>				
Total amount of credit limit	0.00	0.00	3,000,000.00	3,000,000.00
of which utilized	0.00	0.00	0.00	0.00
Group bank account with overdraft facility	0.00	0.00	3,000,000.00	3,000,000.00
<u>Commitments</u>				
Total lease obligations for the term of notice	0.00	0.00	2,084,292.90	1,296,725.93
Lease obligations, payable year 2019	0.00	0.00	287,508.58	239,756.57
Lease obligations, payable later	0.00	0.00	267,352.67	142,956.46
Lease obligations	0.00	0.00	554,861.25	382,713.03
Total commitments	0.00	0.00	2,639,154.15	1,679,438.96

COLLATERALS AND COMMITMENTS 31 Dec 2018**Notes to hedging derivatives**

Hedged instrument:

Loan, EUR 9.167 million, from 31 October 2017 to 31 October 2023

Hedging derivative:

An interest rate swap with the nominal amount of EUR 4.167 million, from 10 November 2017 to 30 September 2020.

Fair value of the agreement at the balance sheet date EUR -17,585.

Hedging type: cash flow hedge

Future cash flows from the interest rate swap are recognised in the income statement in the same periods as the future interest payments from the hedged loan, from the balance sheet date until 30 September 2020.

Hedged instrument:

Loan, EUR 3.5 million, from 17 November 2017 to 31 October 2023

Hedging derivative:

An interest rate swap with the nominal amount of EUR 1.75 million, from 31 January 2018 to 29 January 2021.

Fair value of the agreement at the balance sheet date EUR -15,904.

Hedging type: cash flow hedge

Future cash flows from the interest rate swap are recognised in the income statement in the same periods as the future interest payments from the hedged loan, from the balance sheet date until 29 January 2021.

Hedged instrument:

Loan, EUR 10.8 million, from 29 May 2018 to 31 October 2023

Hedging derivative:

An interest rate swap with the nominal amount of EUR 6.5 million, from 31 October 2018 to 30 October 2020.

Fair value of the agreement at the balance sheet date EUR -41,969.

Hedging type: cash flow hedge

Future cash flows from the interest rate swap are recognised in the income statement in the same periods as the future interest payments from the hedged loan, from the balance sheet date until 30 October 2020.

LIST OF ACCOUNTS AND LEDGERS

Company's general ledger is in Microsoft Dynamics AX -book keeping system and consolidated accounting in Clauson FPM-system. Payroll ledger is in the Mepco HRM, circulation of purchase invoices in Basware Invoice Ready and treasury ledger in Analyste Banking.

Accounting books used

Financial statements	As a bound book
Balance sheet specifications	As a bound book
Journal ledger	PDF files stored in electronic format
General ledger	PDF files stored in electronic format
Purchase invoices	PDF files stored in electronic format
Sale invoices	PDF files stored in electronic format
Note vouchers	Paper format

Voucher types used

	TL AX		
Nordea bank account vouchers	700000000	-	799999999
Danske Bank bank account vouchers	800000000	-	899999999
Purchase invoices from the interface	20000000	-	20999999
Payments to supplier	21000000	-	21999999
Sale invoices (free text)	310000	-	319999
Received payments from customers	300000000	-	309999999
Payroll vouchers	130000000	-	139999999
Accruals	160000000	-	169999999
Memo vouchers	10000000	-	10999999
Vouchers for the financial statements	19000000	-	19999999
Voucher number for payment execution of Value Added Tax	ALV_000000	-	ALV_999999
Vouchers for opening entries	AS0000	-	AS9999
Note vouchers, paper format	LT		

The accounting material to be stored in electronic format in accordance with the Decision by the Ministry of Trade and Industry 47/1998, has been saved in the server of VMP, responsible for keeping accounting records for the company, in Turku, as well as in the server of a partner in Helsinki. Other accounting material is stored in the Turku office.

SIGNATURES TO THE FINANCIAL STATEMENTS AND THE REPORT OF BOARD OF DIRECTORS

Helsinki, February 27, 2019

Liisa Harjula
Chairwoman of the Board

Joni Aaltonen
Member of the Board

Heimo Hakkarainen
Member of the Board

Tapio Pajuharju
Member of the Board

Paul-Petteri Savolainen
Member of the Board

Mika Uotila
Member of the Board

Virva Vesanen
Member of the Board

Juha Pesola
CEO

Auditor's note

Our auditor's report has been issued today.

Helsinki, February 27, 2019

KPMG Oy Ab

Esa Kailiala
Authorised Public Accountant, KHT

AUDITOR'S REPORT

To the Annual General Meeting of VMP Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of VMP Oyj (business identity code 2854570-7) for the year ended 31 December, 2018. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 27th of February

KPMG OY AB

Esa Kailiala

Authorised Public Accountant, KHT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.



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